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ALFONSIN MEETS WITH SALVADORAN VICE PRESIDENT

PY040124 Buenos Aires TELAM in Spanish 1514 GMT 2 Aug 85

[Text] Buenos Aires, 2 Aug (TELAM) -- Argentine President Raul Alfonsin and Salvadoran Vice President Rodolfo Castillo Claramount today agreed on the need to seek a peaceful solution to the Central American problem, rejecting any proposal of violence. This was reported by the Salvadoran vice president during a brief press conference at Government House today after his meeting with President Alfonsin. Castillo Claramount said he merely paid a courtesy visit to Alfonsin to convey his government's greetings. However, they talked about several subjects mainly those of common interest to their countries, such as payment of the Latin American foreign debt. He also said he explained to President Alfonsin the efforts his democratic government is making to overcome current Salvadoran internal and external problems. He told the Argentine president that the Salvadoran Government ratified its decision to use dialogue, understanding, and rationality to overcome difficulties.

Regarding the Central American conflict, which they also discussed, Castillo said he and Alfonsin agreed on the need to seek a peaceful solution to this problem and to reject all proposals of violence. Castillo said Salvadorans are the last to want a generalized war in Central America because they had experienced such a situation for 4 years, and they do not want that to happen to anyone. He said his government is sponsoring an authentic, profound, and democratic internal process. The government wants to organize a living, social, economic, and cultural democracy and not just a strictly legal and political one. Finally, he said Salvadorans truly believe they can count on the respect of an important government such as that of Argentina, which was installed by absolutely free elections.

FOREIGN MINISTER 'CONCERNED' OVER DEBT MEETING

PY032321 Buenos Aires DYN in Spanish 1425 GMT 2 Aug 85

[Excerpt] Buenos Aires, 2 Aug (DYN) -- Foreign Minister Dante Caputo said today he is "a bit concerned" over the possible consequences of the Third World debt meeting in Havana, Cuba, because "we may be compelled to choose between two alternatives," that is, to pay the debt or not to pay it. He said both alternatives are "negative", and added that "the mechanisms and alternatives that should be explored in an effort to create a system within the prevailing system" are initiatives such as negotiations by Finance Secretary Mario Brodersohn. The finance secretary is trying to negotiate a 3-year grace period for the debt Argentina owes its private creditors. Caputo, who made these statements during a conversation with a Radio Revadavia reporter, said Central America is the most serious problem he has dealt with "over the last 3 days." He pointed out that "the Central American folder" is permanently on his desk. Asked whether his concern had anything to do with the meeting in Havana, he answered affirmatively, although, he said, "it is a debate in which opinions will be expressed but I do not think it will have major consequences."

Concerning the alternatives considered at the Havana meeting, Caputo said we can be "forced into a situation in which nothing may happen or in which everything may happen." He explained that the first case would be to repay the debt "under current conditions" and that the second case would be to declare "a unilateral moratorium in Latin American countries." After pointing out that "in my humble opinion, both approaches are negative," Caputo said that "to pay under current conditions would mean that the entire effort to repay the debt will be made be Argentina and that all our trade surplus would be used to pay the interest on the debt, which amounts to more than $5 billion annually." I do not like the other alternative either, "because it is against out internal system and against the principles upon which our international, economic, financial, and commercial relations are based," he said.

MNR'S PAZ ESTENSSORO WINS PRESIDENCY AMID STRIFE

Banzer Claims Electoral Fraud

PY031618 La Paz Cadena Panamericana in Spanish 0000 GMT 2 Aug 85

[Excerpts] Nationalist Democratic Action [ADN] presidential candidate, General Hugo Banzer Suarez, winner of the first majority, has issued a message in defense of his victory.

[Begin Banzer recording] The Bolivian people are witnessing an incredible plan intended to override the popular choice. I cannot remain silent under these circumstances; I am forced to denounce such illegal actions. I can start by saying that the legalization of fraud is about to become a reality. The departmental electoral courts, save for some honorable exceptions, served as a docile instrument to steal votes from my candidacy. This means that popular sovereignty is about to be cheated. The citizens' indignation and frustration are reflected in a total rejection of fraud, bribery, and an electoral apparatus organized by the officialist party which transferred its mechanisms to what it calls its common stem, after becoming convinced of its irreversible defeat.

However, and in spite of everything, the ADN has won the elections: this is an irrefutable truth. If the votes in the ballot boxes have been changed, the conscience of our citizens has not because they cannot be bribed.

Neither the machinery mounted by officialism, nor the fraud structure organized by other experienced politicians, could prevent the ADN from winning the elections.

The national Electoral Court, although a bit late, still has time to repair the serious damage inflicted by the great fraud of which we have been victims. There is still time to add to the final tally, the votes that were mischievously stolen from us when many ballot boxes, mainly from La Paz department, were stolen. If the national Electoral Court does not do this, it will become an accomplice of those who wish to minimize our triumph. No pretext will be enough to frustrate a victory that the Bolivians have voted for. [end recording]

These were the essential parts of the message delivered by Gen Hugo Banzer Suarez.

ADN Vows To Uphold Popular Vote

PY032044 La Paz Cadena Panamericana in Spanish 1700 GMT 2 Aug 85

[Excerpt] The Nationalist Democratic Action [ADN] has issued a communique stating that its members are willing to sacrifice their lives to ensure that the popular vote is respected. The ADN Political Committee, on behalf of its members, has decreed a state of emergency, stating that in view of the offensive and slanderous campaign against its leader, General Hugo Banzer, absolute winner of the 14 July elections, and in view of maneuvers being plotted in Congress, ADN swears before God and the fatherland that it will defend the ADN victory, even at the cost of its members' lives, for which they would exact a very high price.

The communique adds that Nationalist Revolutionary Movement [MNR] and communist hordes want to seize the government to impose hunger and corruption on the country. They are again trying to institutionalize the Barzola Group [militant MNR group] with the criminal San Roman [not further identified]. The people must be aware of this, and those who voted against Gen Banzer on 14 July will be sorry, as they were in 1980.

ADN members have mobilized cadres and are ready to take to the streets to defend their rights. Banzer will take the oath of office as president on 6 August at 1500.

The document is signed by Raul Torrico, Guido Rojas, Jose Leyton, Lourdes Miranda, Arsenio Molinas, and Carlos (Matisacevich).

MNR Condemns ADN 'Intimidation'

PY021902 La Paz Radio Illimani Network in Spanish 1700 GMT 2 Aug 85

[Text] The Nationalist Revolutionary Movement [MNR] has condemned the attitude of the Nationalist Democratic Action [ADN] and has stated that there is no constituional rule about preferences in the congressional election.

The party headed by Hugo Banzer Suarez has unleashed an intimidation campaign against the members of Congress if the vote to elect the president and vice president should go against the ADN.

In a document released this morning, the MNR clearly says that no constitutional rule says that the so-called relative majority should be a basis for preferences in the congressional election. On the contrary, the Constitution says that the three candidates who received the most votes have the same possibility of being elected by Congress. It concludes by saying that no institution, however respectable, can apply pressure in favor of a candidate. The document asserts that, consequently, as a civilized country and a people wishing to continue living in a democracy according to its laws and constitutional principles, we should expect the Congress to elect the president and the vice president from among the three candidates who have received the most votes.

4 Party Coalition Report Denied

PY021851 La Paz Cadena Panamericana in Spanish 1700 GMT 2 Aug 85

[Excerpts] A report released in La Paz and disseminated abroad by an international news agency states that four of the five parties that obtained the first five places in the 14 July elections could make up the solid front of a revolutionary nationalist movement with the objective of giving stability to Bolivia for the next few decades.

The report adds that the following parties reportedly will make up the front: the Nationalist Revolutionary Movement [MNR] of Paz Estenssoro, the Nationalist Revolutionary Movement of the Left [MIR] of Paz Zamor, and the Nationalist Revolutionary Movement Vanguard Faction [MNR-V] of Carlos Serrate Reich.

It adds that this proposal is being discussed with great interest among interested political sectors, and that overcoming the obvious differences, this could lead to the creation of a sort of institutional revolutionary party similar to the Mexican PRI, which has given stability to that country for the past few decades.

This statement was made in response to an international news agency report that four parties -- the MNR, the MNRI, the MIR, and the MNR-V -- reportedly will form a coalition to give stability to Bolivia for the nest few years.

However the MIR reportedly is not participating in the discussions on the formation of a four-party front as reported by the international news agency. We are the first ones to express surprise over the report. We do not know the origin or intentions of the report, Oscar Eid Franco stated. Eid Franco is a high-ranking MIR leader.

[Begin Eid Franco recording] We are most surpised over this report. We do not know where it comes from or what its intentions are. We are not discussing the formation of a political front. On the contrary, we are concerned about the report, because we do not know if it is an official report by the MNR. A report of this nature does not contribute to a peaceful discussion of national problems, which are most important and which all political forces msut take into account. Therefore, I want to be very cautious about giving an opinion on this issue. But I want to repeat that we are surprised over this report, which does not provide any concrete idea on the process that is under discussion at this moment. [end recording]

Government Urges Calm

PY021832 La Paz Radio Illimani Network in Spanish 1700 GMT 2 Aug 85

[Text] Interior Ministry officials have urged the people not to respond to calls for any type of confrontation and not to carry out actions against the people's security.

Official ministry spokesmen have said that the government and the people are concerned that political groups which are struggling to become anointed as rulers are openly inviting a confrontation which, if it occurs, will have serous consequences for the nation. They have also said that at this time of important political decisions, all those who are responsible for giving a sensible solution should think of the country first, and only then of their political and party positions.

This is a crucial time and it is the responsibility of the main political leaders to prevent the country from suffering a disaster. It was further stressed that all of us should be guided by the Constitution and a respect for law. Otherwise, we face a national disaster. In conclusion, the population has been asked to preserve calm and tranquillity and not to respond to any provocation, from wherever it may come, because we are responsible for the integrity of the country.

COB Threatens To Oppose Banzer

PY031623 Paris AFP in Spanish 0552 GMT 3 Aug 85

[Text] La Paz, 2 Aug (AFP) -- The Bolivian Labor Confederation (COB) announced here today that if Congress elects General Hugo Banzer Suarex, the candidate of fascism, the workers will go on a general indefinate strike and will impose roadblocks. In a strongly worded communique, the influential COB stated that even though fascism has won a small relative majority through fraud, Congress can pick any of the three candidates with the largest number of votes in the 14 July elections and elect hin president. The three candiates who won the largest number of votes are Banzer Suarez, Victor Paz Estanssoro, of the Nationalist Revolutionary Movement (MNR), and Jaime Paz Zamora, of the Movement of the Revolutionary Left (MIR). The COB stressed that it will defend the workers' privileges whatever the congressional decision. The new president will probably be elected within the next 72 hours.

Pro-Banzer Demonstrators Dispersed

PY031727 Paris AFP in Spanish 0549 GMT 3 Aug 85

[Text] La Paz, 2 Aug (AFP) -- It was reported here today that a demonstration in support of ADN [Nationalist Democratic Action] candidate General Hugo Banzer Suarez was repressed with tear gas as it entered Plaza Murillo, where Government House is located.

Approximately 2,000 demonstrators demanded that Congress, which will meet in the next 48 hours, elect the ADN leader as president because of the relative majority of some 25,000 votes he won in the 14 July elections. The demonstrators chanted slogans like "We feel it, Banzer will be the president, we want Banzer, not fraud," and "We oppose the perpetuation of the movement," alluding to the Nationalist Revolutionary Movement (MNR), which is led by Victor Paz Estenssoro.

It has been pointed out that even though Banzer has won a small majority over Paz Estenssoro, the latter has a larger number of deputies and senators because of his victory in 7 of the 9 departments. He thus has a greater chance of being elected president.

Information Minister Percy Camacho has called subversive a statement by Banzer calling upon the people to take to the streets to prevent the fraud.

Armed Forces Chief's Communique

PY030250 La Paz Cadena Panamericana in Spanish 0000 GMT 3 Aug 85

[Text] The Military High Command has issued a communique to clarify some doubts that arose in the last few hours regarding the behavior of the Armed Forces, particularly after statements by former President David Padilla Arancilla. The commander of the Armed Forces, General Simon Sejas Tordoya, has read the communique in his characteristically energetic tone:

[Begin Gen Sejas recording] The persistent rumors regarding alleged conspiracies, statements by young officers, changes of posts in the military high command, and similar rumors and publications, aimed at creating unrest among the public, force the national Armed Forces to clearly state the following:

First, the Military High Command emphatically rejects statements by some sectors interested in discrediting the institution's conduct and position regarding the democratic system and the electoral process. The Armed Forces likewise rejects any argument meant to discredit the unshakable determination of their members in carrying out their sacred constitutional mission.

Second, the Armed Forces guarantee the continuity of the democratic process, in respect for and obedience to our national political Constitution. The Armed Forces also categorically promise to obey and enforce decisions made by the honorable National Congress regarding the election of the constitutional president and vicepresident of Bolivia.

Third, the Bolivian people have fulfilled their civic duty of voting on 14 July and demonstrated their vocation of service to the nation. Therefore, within this context, the Armed Forces confirm their impartiality as a fundamental national institution by exhorting the honorable national representatives to respond in the same manner, to the wishes and aspirations of our citizens by carrying out the presidential succession process within a framework of absolute normality to help firmly establish the democratic process in Bolivia.

Fourth, once again we request the media to contribute with their guiding, truthful, and constructive reports in establishing [word indistinct] conditions for peaceful coexistence among the Bolivian people. We also request the media not to allow incitements to crimes, which might lead to conformtations among brothers and which might have unexpected consequences for our nation.

Fifth, finally, we want to inform the Bolivian people that their Armed Forces will permanently be on guard for their social peace and welfare. We guarantee, according to our Constitution, the internal security of our country and its right to live in freedom and democracy.

General Headquarters, La Paz 2 August, 1985.

A sea outlet is our right. To recover it is our duty.

Signed: Gen Simon Sejas Tordoya, commander in chief of the national Armed Forces; General Walter Antezana Palacios, chief of Joint Staff; General Raul Lopez Leyton, Army commander; General Oscar Ville Urioste, Air Force commander; Rear Admiral Jose Antonio One Costa, navy Commander. [end recording]

Attempts To Bribe Military Reported

PY040200 Paris AFP in Spanish 0017 GMT 4 Aug 85

[Excerpts] La Paz, 3 Aug (AFP) -- According to sources close to the Armed Forces commander in chief, some minority sectors of the Bolivian Armed Forces apparently may be preparing to engage in subversion here.

General Macario Beltran, commander of the 2d Army Division in Oruro (southwestern Bolivia) has reported that some officers in his unit with underlying political interests suggested that he send a radio message to the Armed Forces command seeking support in Congress for Hugo Banzer Suarez' candidacy. Beltran said that paradoxically, the radio message did not reach its destination (the Army command) but somehow managed to reach Channel 9 of Bolivian Television, causing a stir among the people.

Patriotic military spokesmen -- those who strongly defend the democratic process -- told AFP that dozens of their comrades are being offered large sums of money by Banzer supporters to interrupt the democratic process.

Chamber of Deputies Leaders Named

PY041848 La Paz Cadena Panamericana in Spanish 1725 GMT 4 Aug 85

[Relay by Cristina Corrales from the Chamber of Deputies]

[Excerpts] You can now hear the applause for the Honorable Gaston Encinas Valverde, deputy for Chuquisaca, who has been elected the new president of the Chamber of Deputies. Deputy Guillermo Capobianco has been elected second vice president of the Chamber of Deputies.

Deputy Alvaro Perez del Castillo, who belongs to the Movement of the Revolutionary Left [MIR], has been named first secretary, and Jorge Keller, deputy for Beni Department and Interior Ministry secretary, has been named second secretary, Agustin (Ameller) Gatica, deputy for the Revolutionary Front of the Left [FRI], has been elected third secretary of [word indistinct].

We are broadcasting from the Chamber of Deputies. The elected leadership is about to be sworn in. Let's repeat the names of the leadership elected to head the Chamber of Deputies:

Gaston Encinas is president; Javier Campero Paz, who belongs to the Nationalist Revolutionary Movement [MNR], is first vice president; Guillermo Capobianco is second vice president; Alvaro Perez del Castillo is first secretary; Jorge Keller is second secretary; and Guillermo Ricter, member of the PRI [expansion unknown], is the last secretary.

Paz Estenssoro Elected President

NC050803 Paris AFP in English 0749 GMT 5 Aug 85

[Excerpt] La Paz, Aug 5 (AFP) -- Mr Paz Estenssoro, the leader of the Revolutionary Nationalist Movement, won 94 votes in the second and final round of congress voting, 15 above the required absolute majority of 79.

The other main candidate, former dictator Hugo Banzer Suarez, who was runner-up in the first round of voting, obtained 51 votes. Gen Banzer walked out before the final poll in protest at not having been chosen despite finishing first in the July 14 presidential elections. In the first round of congress voting, Mr Paz Estenssoro failed by nine votes to secure the necessary 79. Gen Banzer, of the Nationalist Democratic Action (ADN), secured 51 votes, while Jaime Paz Zamora of the Revolutionary Left Movement (MIR) came third with 16 votes.

Garret Ayllon New Vice President

NC050846 Paris AFP in English 0838 GMT 5 Aug 85

[Text] La Paz, Aug 5, (AFP) -- After ADN senators and deputies followed Gen Banzer, the remaining 106 congressmen elected Julio Garret Ayllon, of the MNR, as vice- with 71 votes, speaker Gonzalo Sanchez de Lozada announced. The new president and his deputy were to be sworn in tomorrow, Bolivia's Independence Day.

Inaugural Guests Begin To Arrive

PY050452 Buenos Aires TELAM in Spanish 0316 GMT 5 Aug 85

[Excerpt] La Paz, 4 Aug (TELAM-ANSA) -- OAS Secretary General Joao Baena Soarez, Brazilian Foreign Minister Olavo Setubal, the chiefs of cabinet of the ROK and Brazil as well as representatives of another 10 countries have arrived in La Paz to attend the transference of power scheduled for next Tuesday August 6.

As the first guest began to arrive in Bolivia, Congress continued to discuss the appointment of the new president and vice president.

PINOCHET APPROVES SHUTTLE TREATY WITH U.S.

PY021716 Paris AFP in Spanish 1625 GMT 2 Aug 85

[Text] Santiago, 2 Aug (AFP) -- President Augusto Pinochet today approved the treaty with the United States to allow U.S. space shuttles to use Easter Island for emergency landings, according to official information released in Santiago today. The 21-item agreement will be signed this afternoon by Chilean Foreign Minister Jaime del Valle and U.S. Ambassador James Theberge.

Agreement Signed

PY030248 Santiago Radio Chilena in Spanish 2330 GMT 2 Aug 85

[Report from Interior Ministry by Francisco Contreras]

[Excerpts] Chile and the United States today signed the agreement for the emergency landing of space shuttles on Easter Island. Foreign Minister Jaime del Valle and U.S. Ambassador James Theberge today signed the agreement for NASA to use the Easter Island. According to this agreement, the U.S. Government will enlarge the Mataveri airstrip so U.S. space shuttles can make emergency landings.

REACTIONS TO JUDGE'S DECISION ON TRIPLE MURDER

PY030429 Santiago Radio Chilena in Spanish 1845 GMT 2 Aug 85

[Summary] A few minutes ago, Foreign Minister Jaime del Valle said nobody should think the findings of Judge Canovas Robles regarding the triple abduction and murder will cause the destabilization of the government. He also said the declaration issued by Minister Secretary of Government Javier Cuadra has been sent to all Chilean embassies and that this information will be expanded so that the Chilean representatives may have it at hand should it be requested by the governments to which they are accredited. When asked whether crimes such as the triple abduction and murder and the results of the judicial investigations strengthen or destabilize the government, Del Valle answered that one cannot talk about destabilization.

[Begin recording] By no means can we talk about destabilization because there is no reason for it. Moreover, I think it clearly shows that from the beginning, the government wanted such regrettable incidents brought to light. [end recording]

Armando Jaramillo Lyon, president of the Republican Party, voiced his surprise over Judge Canovas Robles' decision to declare himself incompetent to continue investigating the triple crime.

[Begin recording] I want to be quite frank. I have always deeply respected Chilean institutions, and have always admired the Carabineros because I thought they were enlightened and acted with a democratic spirit. One has faith in institutions until they are proven undeserving of our faith. I hope Judge Canovas' decision is not a hasty one but I find it hard to believe the Carabineros were officially involved in this crime. [end recording]

A group of former Christian Democratic congressmen have issued a public statement that was read by Carlos Dupre.

[Begin recording] Judge Canovas deserves the people's respect for having honored justice. We believe his findings prove what most Chileans suspected. We wonder how those who publicly denied the participation of Carabinero forces in these crimes will justify themselves before the Chilean people. Never before has Chile experienced a situation that jeopardizes national coexistence and seriously undermines its main institutions. We believe isolated measures cannot be taken and the head of state, in order to safeguard national security, must assume his responsibilities and return legitimate sovereignty to the people so a return to institutional normalcy can be possible. [end recording]

Rene Abeliuk, president of the Social Democratic Party, said the results of the investigations conducted by Judge Canovas clearly involve the Carabineros in the crime.

[Begin recording, in progress] ...the institution that in other times was national pride and whose prestige, like that of many other institutions, has been stained by the regime. The government has tried to deny political responsibility for this crime, one of the most horrible political crimes in the history of our fatherland. But we categorically reject this position, because this crime is the result of policy that preaches hatred of the enemy and promotes internal war. It is the result of the government's refusal to seek national reconciliation, which has been advocated by high-ranking church authorities headed by Monsignor Fresno. [end recording]

Socialist leader Ricardo Lagos thanked Judge Canovas for the diligent manner in which he conducted the investigations and said Canovas' decision to some degree has restored faith in justice.

[Begin recording] This crime is the responsibility not just of those who have been indicted and whose arrest has been decreed, regardless of their high rank in the Carabinero forces. The true responsibility also falls on the regime, which allows these things to happen. Therefore, the Chilean people demand that this regime report on its actions. We Chileans should be capable of launching a morality campaign in our country. [end recording]

Andres Zaldivar, president of the World Union of Christian Democrats, said the court decision prompts everyone to reflect on the origin of so many other incidents that have taken place in the country.

[Begin recording] Today in Chile, after such reprehensible events, we not only have the right to demand justice but also to demand the eradication of the cause of this type of crime. In many cases, it is believed that the perpetrators have been supported by the immunity they enjoy because they belong to official organizations whose duty is to safeguard public order and the people's safety. In order to put a stop to this type of thing there is only one path to take: to do away with the secret security organizations and groups; to establish a state of law; to lift emergency measures that give the government excessive power; to return to the court its full authority; in sum, to get rid of an illegal institutional system. [end recording]

CARABINEROS OFFICERS RESIGN FOLLOWING INDICTMENTS

Statement Issued

PY021326 Santiago Domestic Service in Spanish 1100 GMT 2 Aug 85

[Statement by Carabineros Secretary General Colonel Luis Salgado on 2 August -- recorded]

[Text] Whereas Judge Jose Canovas Robles, who is hearing a case involving serious crimes of which the public is aware, has issued a resolution indicting two Carabineros officers on the basis of positive evidence that they have forged public documents;

Whereas Judge Canovas Robles has also ordered that 12 Carabineros members be forbidden to leave the country on the grounds that they may be involved in the case;

The Carabineros General Secretariat hereby reports:

1. The indicted Carabineros officers and members forbidden to leave the country have been discharged from their duties and have been imprisoned at a Carabineros barracks and placed at the disposal of the court that will hear the case, as was previously stated.

2. Carabineros Deputy Director General Rodolfo Stange and Inspector General Carlos Donoso, chief of the Carabineros Communications Directorate, have submitted their resignation in order to facilitate the investigation.

3. The people can and must remain absolutely assured that the Carabineros of Chile deplore this situation, which, nevertheless, has not affected the institution. Therefore, the Carabineros will continue to tirelessly struggle to preserve public order and to guarantee compliance with the law, as it has loyally and unselfishly done for over 58 years at the service of the fatherland.

Mendoza Resigns

PY030111 Paris AFP in Spanish 0100 GMT 3 Aug 85

[Text] Santiago, 2 Aug (AFP) -- General Cesar Mendoza, director of the Carabineros and member of the government junta, tonight confirmed that he had submitted his irrevocable resignation to President Augusto Pinochet. According to reliable sources, Mendoza will be replaced in his two posts by General Rodolfo Stange, deputy director of the Carabineros. The crisis in the Chilean junta coincided with violent demonstrations in the wake of the disclosure that a Carabineros commando unit had kidnapped and murdered three members of the outlawed Communist Party.

Pinochet Meets With Officials

PY030215 Santiago Radio Chilena in Spanish 2330 GMT 2 Aug 85

[Report from La Moneda Palace by Osvaldo Yanes]

[Text] President Augusto Pinochet, some secretaries of state, and Carabineros director General Cesar Mendoza Duran have been meeting in La Moneda Palace for the last 2 hours. Interior Minister Ricardo Garcia, Minister Secretary General of Government Javier Cuadra, Justice Minister Hugo Rosende, and Under Secretary General of Government Colonel Carlos Krum are also at the meeting. General Mendoza is accompanied by Carabinero Deputy Director General Rodolfo Stange, General Juan Alegria, and Carabineros Under Secretary Colonel Rigoberto Gonzalez.

Interim Appointment Announced

PY031500 Santiago Radio Chilena in Spanish 2330 GMT 2 Aug 85

[Excerpt] General Claudio Calderon Moraga will be acting chief of the Order and Security Directorate until someone is appointed to replace Carlos Donoso Perez, who has resigned. Calderon Moraga is the deputy chief of this directorate and, according to regulations, should be acting chief. This information was officially announced by the Carabinero forces.

Moreover, although an official communique in this regard has not been issued, General Juan Bautista Alegria is, as of this morning, the directorate's deputy chief.

R. Stang Appointed Chief

PY030242 Madrid EFE in Spanish 0219 GMT 3 Aug 85

[Text] Santiago, 2 Aug (EFE) -- General Rodolfo Stange Oelckers has been appointed new director general of the Carabineros, replacing General Cesar Mendoza Duran, who resigned tonight. Stange was deputy director of the Carabineros until yesterday, when he submitted his resignation to President Pinochet over the announcement of a court decision on the presumed involvement of Carabineros personnel in the murder of three opponents of the government 4 months ago. Stange's appointment was announced by Mendoza himself, upon confirming his resignation as Carabineros director and as member of the government Junta.

Although it has not been officially confirmed, it is assumed that, in his capacity as new Carabineros director, Gen Stange will join the commanders of the Army, the Navy, and the Air Force as a member of the government Junta.

Pinochet Installs Stange

PY030419 Santiago Domestic Service in Spanish 0245 GMT 3 Aug 85

[Address to the nation by President Augusto Pinochet from La Moneda Palace in Santiago during the installation ceremony of the new Carabineros director -- live]

[Text] Cabinet ministers, generals, admirals, director of the Investigative Police, under secretaries, ladies and gentlemen, fellow countrymen: In the face of recent events in which certain Carabineros members may have been involved, the director general of Carabineros has submitted his resignation to the president of the Republic.

In line with appropriate constitutional provisions, the honorable government Junta, has considered the resignation and has accepted it and, at the same time, has approved the president of the Republic's proposal to appoint General Rodolfo Stange Oelckers as the new director general of Carabineros. In this capacity, Gen Stange will become a member of the honorable government junta.

Gen Mendoza has undertaken a significant task as director of the Carabineros since 11 September 1973. Aware of the risks to the country in the face of the totalitarian threat, he was able to lead the Carabineros during the historic military uprising. Later, Gen Mendoza, faithful to the love of freedom stemming from the task begun on 11 September 1973, discharged his important duty as a member of the honorable government junta by performing his significant legislative functions loyally and faithfully. We must also emphasize the courage Gen Mendoza has shown in nearly 12 years as director of the Carabineros. During that time, he had to face the loss of many of his men who fell in the line of duty to defend the freedom and safety of their community. With the same faith and dedicated service, Gen Mendoza has decided to resign his post. Carabineros should be proud of this action because it clearly reflects that serving the institution and the fatherland comes before everything.

General Rodolfo Stange Oelckers will assume the historic responsibility of continuing the legislative function stemming from his role as member of the honorable government junta.

From the institutional point of view, his mission has great importance because of the varied demands society makes on the police forces, which require the drawing up of strategies and procedures that fully abide by the law so the police force may be efficient and capable of safeguarding order and the citizenry's security. Among his many tasks in his role as general director, he will have to adequately define the functions of those special organizations established by the Carabineros' organic law, guiding them to fulfill their police duties and to see that the Constitution is enforced.

Chilean citizens, those who intend to take advantage of the situation seeking to fulfill base interests must bear in mind that we will not lack the determination and energy to take any drastic measures to maintain order and safety. The Chilean community, the majority of which has always supported the government, should rest assured that the president of the Republic, the Armed Forces, and the security forces will never betray their loyalty and the legal order currently in force.

Long live Chile!

Alegria Takes Over as Deputy

PY032031 Santiago Radio Chilena in Spanish 1700 GMT 3 Aug 85

[Excerpt] Inspector General Juan Bautista Alegria Valdez has officially taken office as Carabineros deputy director. He confirmed this to the press after a meeting with new Carabineros Director Rodolfo Stange. Gen Alegria stated that changes affect individuals but not the institution. He also called recent events regrettable. He regretted General Mendoza's resignation, saying Mendoza has been an efficient and outstanding chief, and a lifetime friend.

DEMONSTRATORS REPUDIATE CARABINEROS' INVOLVEMENT

Incidents Break Out

PY021742 Paris AFP in Spanish 1730 GMT 2 Aug 85

[Text] Santiago, 2 Aug (AFP) -- Violent incidents broke out today in front of Government House in downtown Santiago, where demonstrators were repudiating the participation of police officers in the killing of three communist leaders. At around 1320 local time AFP correspondents watched the police using truncheons, tear gas, and water cannons attempt in vain to break up a demonstration staged by hundreds of opponents along the streets leading to the building where President Augusto Pinochet usually works. The triple murder of leftists, which has caused widespread sorrow, occurred this March, and a civilian judge yesterday ruled that there is enough evidence to charge 14 Carabineros.

Christian Democratic Leaders Arrested

PY022256 Santiago Radio Chilean in Spanish 1845 GMT 2 Aug 85

[By Nivaldo Fabrizio Muchati]

[Excerpts] We are on the corner of Paseo Ahumada and Herfanos Streets, where incidents are now taking place and Carabineros are arresting many people, including relatives of murder victims. Among those arrested is Andres Palma, youth leader of the Christian Democratic Party.

The incidents in downtown Santiago have worsened, especially on the corner of Paseo Ahumada Street and Bernardo O'Higgins Avenue. Traffic on the side of the avenue leading to Pudahuel, between MacIver Street and La Moneda Palace, has been halted. Right now, Carabineros are clearing the avenue, which is blocked with sticks and stones, and people are booing the arrival of additional security forces.

Relatives of victims of the regime gathered in front of La Moneda Palace carrying posters and were dispersed by the Carabineros. However, some of them were arrested as they were going down the Paseo Ahumada. So far six persons have been arrested. They have been placed in a van and will be taken to Carabineros Station No 1. Among them are Christian Democratic leaders (Claudio Huerfe) and Andres Palma.

At this moment, the people, ignoring the presence of the Carabineros, have occupied the middle of the avenue and are shouting slogans.

62 Detained

PY031644 Santiago Domestic Service in Spanish 1100 GMT 3 Aug 85

[Text] Some 62 persons were detained following the incidents staged in Santiago by political agitators. [Words indistinct] the other detainees have been freed.

The incidents began at approximately 1300 when a group headed by the widows of three communist leaders beheaded in March arrived at part [name indistinct]. While shouting slogans against the government and the Carabineros, the demonstrators hurled rocks at some Carabineros.

Water cannons were brought in to disperse the group. Minor incidents were recorded throughout the afternoon in downtown Santiago, namely on Ahumada Promenade. At approximately 1800 a group of demonstrators [words indistinct] causing considerable damage to public and private properties. They destroyed trees, metal protectors, traffic signs, and stoned pedestrians who declined to join them. Consequently, three persons, one of them a Carabinero, were injured by rocks thrown at them.

Teachers Union Leader Arrested

PY042035 Paris AFP in Spanish 1905 GMT 4 Aug 85

[Text] Santiago, 4 Aug (AFP) -- Chilean police today used truncheons, teargas grenades, and water jets to disperse demonstrators who were trying to take flowers to the tombs of the three opposition leaders found beheaded in Santiago 4 months ago. According to the results of a preliminary investigation ordered by a judge, 14 Carabineros were found to be involved in the murder of professor Manuel Guerrero, draftsman Santiago Nattino, and sociologist Jose Parada, who were all communists.

The visit to the tombs has been organized by the Chilean Teachers Union Association [AGECH] of which slain professor Guerrero had been a leader. According to witnesses, about 20 persons were arrested during the violent incident. The charges against the Carabineros officers of being involved in the triple murder prompted Gen Cesar Mendoza, Carabineros director and military junta member to resign.

Madrid EFE in Spanish at 1838 GMT on 4 August adds: "Fernando Azula, secretary of the AGECH, is among the people arrested."

Minister Cuadra Comments

PY031658 Santiago Domestic Service in Spanish 1100 GMT 3 Aug 85

[Text] Minister Secretary General of Government Francisco Javier Cuadra has stated that there is no crisis in the government. He added that circumstances test the temper of men and the real integrity and strength of institutions. Regarding recent incidents he said that it is natural to expect [words indistinct] Communist Party is trying to disrupt order. He added that the government will adopt all necessary measures to guarantee public order and tranquillity. Minister Cuadra also said that there is (?no crisis in the country). [passage indistinct]

Regarding the incidents which occurred within the last few hours in Santiago, he said that it is part of the communist strategy. [recorded passage indistinct]

Regarding the change of the Carabineros director, he said that it is an important step, and stressed General Mendoza's noble action which took into account the citizens' (?desire). He added that the government has installed General Stange in his new post. He also stressed the people's courage in adopting a position for the fulfillment of the policy implemented by the government in the [word indistinct] sector. [passage indistinct] The minister also said that (?terrorist) actions will be punished with the laws. [recorded passage indistinct]

Rules Out State of Siege

PY050446 Madrid EFE in Spanish 2155 GMT 3 Aug 85

[Excerpt] Santiago, 3 Aug (EFE) -- The Chilean military government will not reinstate the state of siege because of the street disorders that occurred yesterday, Friday, in Santiago, disorders that ended with 3 people being slightly injured and 79 detainees. This was the announcement that Minister Secretary General of Government Francisco Javier Cuadra today made after participating in a work meeting held at La Moneda Palace, a meeting that was chaired by the head of state, General Augusto Pinochet. Chile was under a state of siege for slightly over 7 months, from 6 November 1984 to 16 June 1985, when the government decided to lift it.

Cuadra stated that these incidents which took place in Santiago are the result of instructions given by the Communist Party and that such behavior does not reflect the general attitude of citizens. Cuadra added that, despite their seriousness, these incidents do not justify the implementation of the state of siege, since they are not generalized.

INTELLIGENCE AGENTS ARREST COMMUNIST LEADERS

PY041914 Paris AFP in Spanish 1656 GMT 4 Aug 85

[Excerpt] Santiago, 4 Aug (AFP) -- The Chilean National Intelligence Center [CNI] has reported that today it detained several members and leaders of the outlawed Communist Party. Relatives and lawyers of the detainees have reported that raids were carried out at 0600 today and that 50 labor leaders as well as leaders of neighborhood organizations were arrested. Sergio Troncoso, president of the Construction Workers Federation, and Professor Ruth Baltra and Dr Pedro Castillo of the National Committee Against Torture and the Chilean Human Rights Committee are among the people arrested.

AFP has been told that other opposition leaders sought by heavily armed government agents were not in their homes at the time of the raids. Dr Fanny Pollarolo and Dr Mario Insunza from the Solidarity Vicariate of the Catholic Church, and Altamiro Guzman, a veteran mining leader, were among those who could not be found at home.

As of 1130, no official report had been released on the raids, which were conducted just one day after Minister Secretary of Government Francisco Javier Cuadra said that the public rallies on 1 August were organized by the Communist Party.

DAUGHTER OF CHRISTIAN DEMOCRATIC LEADER KIDNAPPED

PY042313 Paris AFP in Spanish 2203 GMT 4 Aug 85

[Excerpts[Santiago, 4 Aug (AFP) -- An opponent of the military regime of Chilean President Augusto Pinochet, who has repeatedly received death threats over the past months, was kidnapped in Santiago today, relatives have announced. The victim is psychologist Andrea Hales, 27, the daughter of Alejandro Hales, a former minister and a prominent Christian Democratic leader. We fear for her life, the leader stated, after asking General Pinochet to make a public appeal for the mysterious kidnappers to release his daughter.

Last April, following the kidnapping and throat cutting of three Chilean dissidents, Andrea Hales was captured by an anti-leftist parapolice commando unit which harshly interrogated her on her family, her party activities, and her work in the Catholic organization Mission, which develops its activities among the youth.

The latest kidnapping of my daughter obviously has a political connotation and represents a challenge to the new authorities (in the Carabineros echelons), Alejandro Hales stated.

The former minister reported that Andrea Hales failed to keep an appointment at the airport where she was to say goodbye to a relative. He stated that the psychologist's car was found abandoned in a fashionable Santiago district. I hope that these ill people will reconsider their actions as they are not good for their idols, their fans, or their admired leaders, Hales stated, after meeting with government officials, including the newly-appointed Carabineros Deputy Director General Juan Alegria.

The police decreed a red alarm throughout Santiago, but the search for the psychologist has so far been unsuccessful.

I have faith since they (the authorities) know about the many places where persons are usually held in detention and they can raid them, the Christian Democratic leader stated.

REPUBLICAN RIGHT PARTY ELECTS LEADERSHIP

PY022324 Madrid EFE in Spanish 0346 GMT 2 Aug 85

[Text] Santiago, 1 Aug (EFE) -- Former Senator Armando Jaramillo Lyon has been elected president of the Chilean Republican Right Party, replacing former Senate President Hugo Zepeda. The election took place during a general meeting of party leaders. Former Deputy Anibal Scarella and youth leader Javier Diaz were elected vice presidents, and Gabriel Leon Echaiz was elected secretary general.

The Republican Right is one of five parties of the opposition multiparty Democratic Alliance. According to its leaders, it comprises the Chilean democratic and libertarian right.

BETANCUR, SANGUINETTI ISSUE JOINT DECLARATION

PA040014 Paris AFP in Spanish 0753 GMT 3 Aug 85

[Text] Bogota, 2 Aug (AFP) -- Colombia and Uruguay tonight asked Costa Rica and Nicaragua to accept the sensible dialogue proposed by the Contadora Group to solve the tensions the exist between the two countries as a result of recent border incidents.

President Belisario Betancur of Colombia and President Julio Maria Sanguinetti of Uruguay stated their petition in a joint declaration issued in Bogota, where President Sanguinetti has been on an official visit since yesterday. They say they deplore the increase of tensions between the two countries and urge them to begin serenely in Panama the dialogue to which they were invited on 22 July by the Contadora Group. They also express the need that the parties involved in the crisis abstain from assuming positions that worsen the tensions, "so the negotiations mechanisms established by Contadora can be successful."

"The crisis can only be solved through dialogue and negotiations," they said.

They termed as very positive the creation of support groups to the Contadora peace process, which took place recently in Lima during the inauguration of Alan Garcia, new president of Peru.

In relation to Latin America's economic situation, they expressed their concern over the "dramatic and persistent" drop in prices on goods they export and the increase of protectionist barriers.

"If the debtor countries do not maintain a steady economic growth, the foreign debt problem cannot be solved," Betancur and Sanguinetti said in their declaration. They also said there is "an imperative need to promote sincere international economic cooperation through policy agreements among the countries involved in the foreign debt problem."

Betancur and Sanguinetti, who tomorrow, Saturday, will go to Cartagena, a port in the Caribbean 1,000 km northwest of Bogota, also discussed the Malvinas Islands situation. They recognized as just, Argentina's sovereignty demand over those territories and invited the governments of Argentina and Great Britain to solve the conflict through friendly dialogue. They also expressed their concern over the existence of arms and military installations in the Malvinas zone and they said that "it creates a focus of tension and makes the path to an understanding more difficult."

In the same declaration the two heads of states reiterate their faith in the United Nations. They agree it is necessary to revitalize the United Nations so it can guarantee international peace and security.

Finally, they expressed their hope that the Latin American countries will make an effort to strengthen the inter-American system through the OAS and to guarantee peace and democracy in America.

RAMIREZ OCAMPO VIEWS NICARAGUA-COSTA RICA DISPUTE

PA022236 Hamburg DPA in Spanish 1757 GMT 2 Aug 85

[Text] Bogota, 2 Aug (DPA) -- Colombian Foreign Minister Augusto Ramirez Ocampo today said he hopes there will not be an armed conflict between Nicaragua and Costa Rica because such a conflict would have unimaginable consequences.

Ramirez Ocampo also said that so far the Contadora Group has not been consulted about the possibility of other countries sending military aid to Costa Rica because that country does not have Armed Forces. The foreign minister spoke to newsmen shortly after the conclusion of a meeting of the National Security Council which had been convoked by President Belisario Betancur. The official said that the Central American situation is difficult at this moment, following the territory violation charges filed by Nicaragua and Costa Rica. Ramirez Ocampo said that Contadora has been in constant contact with the authorities of these two countries since it is evident that the situation between them is deteriorating.

The foreign minister said that this situation affects peace in the Central American region since there have been alleged airspace violations by the two countries. He said that Contadora has the intention of fulfilling the OAS resolution that asked the Contadora Group to secure direct communication between the two countries based on the announcements made by Costa Rican President Luis Alberto Monge and Nicaraguan President Daniel Ortega. The Colombian minister said that the Contadora Group will continue making efforts. He said that yesterday the deputy foreign ministers of the countries that compose the Group initiated a meeting in Panama and that tomorrow they will be in Costa Rica and on Sunday in Nicaragua to continue their contacts with the five Central American countries. Regarding the border incidents between the two countries, Colombian Foreign Minister Ramirez Ocampo said that the OAS appointed the four Contadora groups to carry out an investigation.

Finally, regarding the possible Costa Rican request for military aid, Ramirez Ocampo said that Contadora has not been consulted about this. He also said that the Contadora peace plan has not been signed, but added that there is a consensus about the inspection, verification and control commission.

SFRY'S VRHOVEC HOLDS TALKS WITH BETANCUR

For Yugoslav reportage on the visit by Jospi Vrhovec, member of the Presidency of Yugoslavia, to Colombia, including his talks with President Belisario Betancur and a report on a joint statement issued on the talks, see the Yugoslavia section of the 2 August Eastern Europe DAILY REPORT.

M-19 ASKS BETANCUR TO REOPEN DIALOGUE FOR PEACE

PA021615 Paris AFP in Spanish 1430 GMT 2 Aug 85

[Text] Bogota, 2 Aug (AFP) -- The Colombian leftist guerrilla 19 April Movement, M-19, made an appeal from Havana to Colombian President Belisario Betancur for a reopening of the dialogue that will lead to peace in the region, the privately-owned RCN radio station reported in Bogota. In a newscast broadcast from the Cuban capital, the radio station indicated that at least two leaders of that guerrilla group met with Colombian leaders to request "a new peace dialogue." The request was made by guerrillas Antonio Navarro Wolff and Alfonso Lucio who are in Havana participating in a meeting of Latin American experts analyzing the foreign debt situation.

According to RCN, both of the leaders spoke to former Minister Alvaro Leyva, journalist Andres Pastrana, and Carlos Ossa, president of a farmers association, and asked them to intercede in the search for a reopening of the dialogue. The three are part of the Colombian delegation participating in the meeting convoked by Cuban President Fidel Castro. The peace dialogue in Colombia was suspended last June when the M-19 broke the peace truce signed on 24 August 1984 with President Betancur's government. At the time, the guerrillas argued that they were being harassed by the Army, took up arms again, and went to the mountains to resume their raids and attacks on the Army troops which have resulted in more than 50 victims.

LEADERS REACT TO CASTRO IDEAS ON FOREIGN DEBT

President: 'Must Pay Our Debt'

PA030502 Madrid EFE in Spanish 0354 GMT 3 Aug 85

[Text] Quito, 2 Aug (EFE) -- Ecuadoran President Leon Febres Cordero today said that "not paying debts is a very comfortable position," however, he added that paying these debts is a necessary requirement to obtain foreign credit and promote internal development.

During an improvised news conference held in Guayaquil, 420 km from Quito, the president was asked about the suggestions made by Cuban President Fidel Castro regarding the nonpayment on the debt. Febres Cordero said that he respects Commander Castro's views, but that he feels that nonpayment cannot be taken lightly.

In the president's opinion, the three formulas proposed by Castro for payment at long term and with low interest rates are "interesting ideas but not applicable for us because we need the foreign capital and must pay our debt for the sake of national dignity."

Central Bank Head Rejects Proposal

PA040543 Quito Voz de los Andes in Spanish 2330 GMT 2 Aug 85

[Text] Carlos (?Julio) Emanuel, manager of the Ecuadoran Central Bank and representative of Ecuadoran President Leon Febres Cordero, today presented an orthodox view regarding the payment of the foreign debt. He urged those who participate in the Havana forum convoked by Fidel Castro to admit the economic mistakes made during the past 10 years. He asked: Who forced us into ending up so extremely dependent on foreign capital? He believes that outside factors played a leading role in the crisis. He said Latin American countries must pay for the mistakes they made. To admit them would mean a big step forward; to correct them would be the best.

He rejected the proposal of nonpayment of foreign debt sponsored by Fidel Castro and added that the foreign debt should be paid without affecting social stability. Emanuel warned that no development is possible without resources and that the [words indistinct] in Latin American countries, but must begin with in capital and foreign savings.

GARCIA, OTHERS REACT TO U.S. AID SUSPENSION

Garcia Confirms Debt Policy

PY031550 Lima Cadena Panamericana Television in Spanish 0300 GMT 3 Aug 85

[Text] After the U.S. Government's announcement, President Alan Garcia confirmed this afternoon in Trujillo his decison to allot only 10 percent of the value of exports to the payment of the foreign debt. Garcia repeated that the main creditor of the government is the Peruvian people and, directly referring to the U.S. measure, the president repeatedly asked for faith, hope and steadiness in facing difficulties.

[Begin Garcia recording] Let us build a productive country, a country with more workers and fewer bureaucrats and fewer rich people. Let us build a more just and equitable country, a worthier country so that it can have a firmer place among the nations, a free and sovereign country, as our forefathers wished, a country which asserts its independence, not only at the political level, but also at the economic level.

When we made our decision to limit our payments to foreign countries, because this was what the Peruvian people voted for, we knew that this could lead to difficult consequences. Of course we knew it. We knew that the pride of a nationalist nation may sometimes be punished by the powerful of the earth, but I ask for the strength, faith and support of my people, telling them to accompany me in difficult times and telling them that we will advance together toward the future. [applause]

Therefore, from Trujillo I ask for the unity of all Peruvians, an anti-imperialist unity, a unity to defend the economic independence of this country. According to some international commentators, I have been bold enough to say that I was not elected by IMF officials, but by the Peruvian people to respond to their (?demands). [applause] So both sides of the coin have to be shown, and I will assert our right to say that we will use the resources of Peru for Peru, and not to satisfy the foreign banks. However, on the other hand, there are the immediate consequences to which this may lead, and which will have to be understood and accepted by all of us.

There is no revolution or transformation that does not carry difficulties with it. Those who live for an immediate paradise are mistaken, or they are only coffee house revolutionaries. We need a revolutionary people, capable of understanding the consequences of their actions. I have come to tell you: Let us defend Peruvian wealth for Peru, recognizing that the temporary consequences of this may be restrictions and punishments from abroad. I have come to ask the people of Trujillo and the Peruvian people if, facing these restrictions and reprisals, you are with your president and your government? [shouts of "yes"]

It is now up to us to have faith in a new government, in a government which will be tried by every difficult circumstance, but a government which needs its people's backing in those circumstances. Therefore, I have come to ask you for faith in Peru. I made my campaign into a campaign of hope, and now I have come to ask the Peruvian people for a government of faith, the faith that we will overcome the difficulties of the crisis, but also faith during the crisis, knowing that we are approaching the end of the tunnel.

I want to ask you, comrades of the APRA, (?followers) of Haya de la Torre, if you are with the APRA government [shouts of "yes"], if you are ready to face the difficulties [shouts of "yes"] if you will give an example of faith and firmness to work for the future [shouts of "yes"]. Then, let us continue on our road with high hopes, and firm hearts! Peru is free and indepndent! [applause and cheers]. [end recording]

Party Leaders, Ministers Comment

PY031253 Madrid EFE in Spanish 0216 GMT 3 Aug 85

[Excerpt] Lima, 2 Aug (EFE) -- The U.S. Government decision, which was this afternoon disseminated by a local radio station, immediately prompted a puzzled reaction among the APRA [American Revolutionary Popular Alliance] ministers and irritated the left which issued a call for unity.

United Left [IU] leader Enrique Bernales has stated that this measure demonstrates that the U.S. Administration is against the Peruvian Government and people and that it perfers to keep us subdued even if we die from hunger. Bernales, who represents the second strongest political party in Peru, stated that, anyway, this is the best favor the Reagan administration can do for the government of Alan Garcia because this way we know our friends from our enemies. After asking all Peruvians to jointly support the government, Bernales concluded by stating that it is time to unite and face the big stick and blackmail policies.

Although most of the ministers avoided making any comments until they better understood the information, Labor Minister Carlos Blancas, a Christian Democratic leader, stated that, should this information be confirmed, it would be a regrettable and condemnable attitude because the government has unequivocally stated its willingness to pay [the foreign debt] to the extent possible.

Nevertheless, APRA Senator Javier Silva Ruete, a former economy minister, stated that the suspension of economic and military aid to Peru is due to the automatic application of a U.S. law that punishes countries that after 1 year fail to pay their contracted debts. That debt amounts to $11 million but, according to Senator Silva, it would only take a payment of $200,000 to have the measure lifted immediately.

Silva explained that that debt became due on 1 August, a date which, incidentally, coincided with the announcement of the emergency program of the APRA government. However, Silva stated that, in his opinion, there is no relation whatsoever between the suspension of the aid and the announcement of the economic program.

PDC Condemns U.S. Action

PY031735 Paris AFP in Spanish 0417 GMT 3 Aug 85

[Text] Lima, 2 Aug (AFP) -- The Christian Democratic Party [PDC] today released a communique condemning the U.S. Government decision to suspend all economic and military aid to Peru until all debts contracted by Peru with the United States are paid. The PDC also appeals to the Peruvian people to remain united around the dignified and courageous position of President Alan Garcia, and urges all militant members to remain alert in order to participate in the actions called for by the government.

The text of the communique reads as follows:

The PDC absolutely condemns the U.S. Administration which once again is giving proof of its imperialist spirit and its absolute indifference to the survival efforts being made by Third World countries. It makes a call to the Peruvian people in general and to popular organizations in particular to remain united around the dignified and courageous position of the president of the Republic, whose decision to subordinate the payment of the foreign debt to the priority of our people's hunger must be defended firmly and steadfastly.

It calls on all militant members to remain alert to participate in mobilization actions that may called by the government and the popular organizations to resolutely repudiate this new and shameful aggression by the U.S. imperialism.

Foreign Minister Comments

PY032216 Madrid EFE in Spanish 1938 GMT 3 Aug 85

[Text] Lima, 3 Aug (EFE) -- Peruvian Foreign Minister Alan Wagner today said relations between Peru and the United States have not worsened because of the U.S. decision to suspend economic aid to Peru.

U.S. Ambassador to Lima David Jordan met today with President Alan Garcia at Government Palace for 40 minutes. After the meeting, Jordan said the suspension of aid to Peru has been misinterpreted and has already been clarified. The U.S. Ambassador said the portion of the Peruvian debt that has necessitated the suspension of the aid amounts to some $100,000, which Peru will pay soon, so the sanction can be lifted.

Peru's overall debt is estimated at $14 billion, $11 billion of which is owed to U.S. banks. A U.S. law decrees an embargo on economic aid to any country that does not pay certain debts in a year.

The Peruvian foreign minister said the problem concerns a small amount, which has no political implications. He added that the problem has been misinterpreted in reports sent from the United States.

U.S. Envoy Reassures Government

PY042253 Madrid EFE in Spanish 0838 GMT 4 Aug 85

[By reporter Enrique Valls]

[Text] Lima, 4 Aug (EFE) -- Reassuring statements by U.S. Ambassador to Lima David Jordan and Peruvian Foreign Minister Alan Wagner Tizon have begun to defuse the problem created by the announcement made on 2 August that Washington was suspending its aid to Peru.

The suspension of the aid was caused by the automatic application of a U.S. law which cancels economic and military aid to those countries that have not paid the accrued interests on loans for 1 year.

The announcement of the aid suspension, which amounts to some $400 million, irritated the Peruvian Government since it came at a time of political strain caused by President Alan Garcia's announcement last Sunday that only the equivalent of 10 percent of the country's exports would be earmarked for payment of the foreign debt. The current debt totals $14 billion.

Later, Prime Minister and Economy and Finance Minister Luis Alva Castro stated that Peru would not start paying its foreign obligations before early February 1986, adding that creditors have been summoned to Lima to review the problem. Alan Garcia also announced that the tax exemptions granted to U.S. companies extracting oil under contract, namely the Occidental Petroleum, in the jungle area, and the Belco Petroleum, in the continental shelf, would be canceled.

On 3 August, U.S. ambassador in Lima David Jordan, along with Peruvian Foreign Minister Alan Wagner Tizon, held a 40-minute meeting with President Alan Garcia at Government Palace.

The Peruvian foreign minister stated that he is convinced that the United States will lift the measure imposed on Peru, adding that such a measure will not affect the relations between the two countries. Wagner said that the overdue interests on military aid are unimportant, stating that these interests will soon be paid by the Economy and Finance Ministry.

The U.S. ambassador also stated that he is convinced that the problem will soon be resolved satisfactorily because it is a technical matter. He said that the overdue sum totals $100,000. The U.S. ambassador stated that the problem arose from a misinterpretation, something that has already been corrected.

Wagner stated that this matter does not have any political implication whatsoever, adding that all this was caused by an administrative mistake of the last government, which was supposed to settle the debt. Jordan agreed with the Peruvian foreign minister, stating that the good and cordial relations between the two countries will not be harmed. Jordan said that this matter gained more importance than it deserved because of reports received in Peru that related unrelated subjects. He added that a misinterpretation had occurred.

The Peruvian press protested what it termed Washington's pressure on the Peruvian Government and a reprisal for the goals announced by President Alan Garcia in his 28 July inaugural speech.

ALVA CASTRO EXPLAINS NEW ECONOMIC MEASURES

PY021755 Lima Cadena Panamericana Television in Spanish 0415 GMT 2 Aug 85

[Excerpts] On implementing the economic program, the government has ordered the temporary suspension for up to 90 days of payments for bank certificates issued in foreign currencies and their interests. However, the owners of these certificates will be able to ask the issuing banks for the payment of these certificates and their interests, but in the national currency.

The government has also ordered measures to refinance, reprogram, and restructure the appropriate principal and interest payments of the national foreign debt. The decree which includes this order states that the debt referred to in this order encompasses all public and private enterprises, and also the Peruvian Central Bank.

Economy and Prime Minister Luis Alva Castro tonight explained the government's reasons for implementing the new economic measures. He also announced that the Peruvian sol will be devalued 12 percent.

[Begin Alva Castro recording] First of all, we have been forced to send a telex to the international financial community proposing a 6-month postponement in the payments on the Peruvian public debt -- either direct or indirect, medium-term or long-term debts -- and inviting their representatives to a meeting here in Lima to seek joint, realistic solutions to the foreign debt problem. The emergency measures that have been adopted basically seek to substantially change the policy inherited by the previous government, because everything indicated that, otherwise, in a few months Peru would be facing a hyperinflation of no less than 300 percent yearly, which would especially affect the purchasing power of the people's salaries and thus make the situation of the poorest sectors unbearable.

We are proposing to attack recessive inflation through a generalized stabilization of the production costs of all our goods and services. What do we mean by this term generalized stabilization of costs?

Any producer knows that the price of his product is estimated by taking into account the cost of production plus a rate of profit. He also knows that cost estimates are influenced by the prices of national or imported inputs he processes. The cost of the capital and of the manpower used are also taken into account. But since the prices of national components are also established by the three prices mentioned previously, we get a result, as we economists usually say, of three basic prices for the economy: the nominal salary, the rate of exchange, and the interest rate that is in fact paid.

Prices of basic products are hereby frozen, beginning today. This means that the state must be the first to contribute with this effort, fixing the rate of exchange of our money. It is not possible to continue the current policy of mini-devaluations. This has been one of the clearest reasons for cost and price instability. For this reason, we have decided to devalue our currency by 12 percent and to freeze basic prices.

Second, as of 5 August, bank interest rates will be reduced 280 percent to no more than 110 percent yearly. Advanced payments on interests, commissions, or others that overburden the producer with a cost higher than the 110 percent rate will no longer be allowed in Peru, under any circumstances.

Credit costs will also be reduced as of next week. State banks have been instructed to begin this additional reduction as soon as possible. In addition to these government orders, the Peruvian Bank today issued a circular in this regard.

As the first contribution toward seeking the achievement of these objectives, I want to tell the country that by Presidential Decree 368-85, issued in compliance with the powers bestowed upon the president of the Republic to deal with emergency situations, taxes on bank operations are hereby abolished. Everyone knows that it is of no use to receive an interest of 120 percent when the inflation rate is higher than 200 percent. This situation will thus end, and the consequent issuance of money will give room for a meaningful profit for savers.

Third, the gap between prices and salaries must necessarily be reduced. For this reason, a general increase in salaries and wages of approximately 18 percent on the average was decreed today. In order to fulfill these objectives, the new government has promulgated a decree by which it establishes salary and wage increases in the following manner:

For those earning the minimum legal wage, 50 percent
For teachers, 22 percent
For public employees, 15 percent
For private, nonunionized workers, 165,000 soles

In addition to the 50 percent increase in the minimum wage, which will correct the most obvious example of inequality, a fixed amount has also been established in order to protect the workers with the lowest income, who will be granted a proportionately higher increase.

It is obvious that no price increase will be allowed unless new increases are authorized, whether of salaries or of interest rates. I want to announce, therefore, that prices for goods, services, and housing rentals are hereby frozen.

In an effort to maintain these prices, any attempt to increase them, that is, of increasing profits, will represent a violation of moral laws. For this reason, the Peruvian Government today issued a decree freezing all prices for goods, services, and housing rentals at the levels of 27 July 1985. Before the freeze, we decided to change the prices of a few but significant goods and services. As you know, new prices have been set for gasoline and diesel fuel, although at a lower rate. The kerosene price, however, has been maintained and frozen.

In order to minimize the increase in urban transport tariffs, I also want to announce that the government has ordered that through a pass or ticket system established by the municipality of Lima, which must be supported and consolidated, transporters will be granted a compensatory payment.

Another subject that has caused concern is the course given to deposits and bank certificates in foreign currencies. I want to be clear and forceful on this point: The government will not punish those Peruvians who have put their confidence in the country and who, unlike others, have left their deposits in the country. All deposits and bank certificates in a foreign currency will be recognized as dollar deposits. They will be used for the payment of goods and inputs legally imported and which are necessary for the enterprises. Only those used for nonproductive purposes will no longer be reimbursed in dollars.

Fellow citizens, with courage, effort, and honesty, let us begin a quest for a different future. [end recording]

400,000 CITE EMPLOYEES END 46-DAY STRIKE

PY022101 Paris AFP in Spanish 2325 GMT 1 Aug 85

[Text] Lima, 1 Aug (AFP) -- Some 400,000 government employees today ended a strike that had lasted 46 days, after the new government promised to discuss their demands.

Raul Caballero, principal leader of the self-styled Intersectorial Confederation of State Employees (CITE), made the announcement this afternoon, after President Alan Garcia announced the package of emergency economic measures granting a 15-percent salary raise for the bureaucracy, and 22 percent for the teachers. Caballero explained that the end of the strike, which engulfed Peru in street riots, occupations of schools and public buildings, and hindered tax collection and the mail service, can be considered a gesture of political goodwill toward Alan Garcia's new social democratic administration.

According to Caballero, CITE is demanding more than just wage hikes. We also seek morality in public administration, labor stability, reinstatement of dismissed workers, and reorganization of some government offices. Now, we hope to discuss all these subjects and reach a harmonious solution, he added.

POLICE FOIL ATTEMPT TO DISRUPT INAUGURATION

PY032028 Lima Cadena Panamericana Television in Spanish 0415 GMT 2 Aug 85

[Text] The Investigative Police have reported that the arrest of three Shining Path members has revealed a plan to attack ministries, churches, and public buildings and to interrupt television programs during the presidential inauguration ceremony.

According to Dircote [Anti-terrorist Directorate], Jaime Espiritu, also known as Tomas; Hector Delfin Coyama, also known as Comrade Andres; and Lucila Franco Figueroa, also known as Comrade Lucy, were in possession of plans listing places to be attacked on 27 July. They were planning to use 40 water cannons to attack public institutions, the Congress building, and the Ministries of Education, Economy, and Foreign Relations. They were also planning to blow up pylons in Santa Eulalia and Chosica. The objective of the plan was to disrupt the presidential inauguration ceremony. Meanwhile, customs personnel have confiscated three packages containing U.S.-made double-barreled shotguns. An investigation is under way. The shotguns were addressed to the Peruvian Navy and arrived on 24 June aboard the ship (Valma).

EL SALVADOR

MILITARY OFFICER DESCRIBES U.S. AID AS 'VITAL'

PA031606 Paris AFP in Spanish 0556 GMT 3 Aug 85

[Text] San Salvador, 2 Aug (AF) -- U.S. aid to Central America has been described as "vital" by Colonel Sigifredo Ochoa, commander of the 4th Infantry Brigade of El Salvador, headquartered in El Paraiso, Chalatenango Department, in northern El Salvador.

In a brief conversation with AFP upon his return from the United States, Ochoa said that he is "very optimistic" because several U.S. sectors have changed their opinion about the political process in El Salvador.

Even though, according to Ochoa, the military balance is favorable to the regular Army, he feels that "since we are fighting Marxist forces that receive weapons without any control, a more fluid assistance is required."

The military officer admitted that the government has found itself "in difficulties" essentially because U.S. assistance was "trickling in." However, it has been stepped up lately "most probably because of the change in attitude by some congressmen who had previously opposed aid to El Salvador, he noted. [quotation marks as received]

Ochoa also noted that the United States must give "all necessary assistance" to the Nicaraguan rebels. Without assistance from the United States the Central American peoples "would fall prey to the communist hordes despite their will and bloodshed," Ochoa said.

HONDURAS

POLICE DISCOVER BOMBS IN TEGUCIGALPA HOTEL

PA022304 Panama City ACAN in Spanish 2041 GMT 2 Aug 85

[Text] Tegucigalpa, 2 Aug (ACAN-EFE) -- The Honduran police have deactiviated two powerful bombs in a hotel on the eastern outskirts of the capital. The hotel is often visited by U.S. military and diplomatic personnel. The bombs were deactiviated last night at the Alameda Hotel after specially trained dogs located them in places which, according to the police, would have caused great personal and property damage.

The hotel is frequented by Americans who are participating in joint military maneuvers with Honduran troops, and by personnel from the U.S. Embassy in Tegucigalpa. None of the country's five known subversive groups has claimed responsibility for the placement of these explosives, which were detected because hotel personnel received anonymous telephone calls with warnings to evacuate the hotel.

Three weeks ago the U.S. Defense Department reported that it had uncovered a plot by Central American subversive groups to attack military and accredited embassy personnel in the region. The U.S. Government warned Nicaragua that if any such attacks took place, it would hold the Sandinist regime responsible. The Honduran police indicated that the national subversive groups have links to the Nicaraguan Governemnt, from which they receive training, and military and economic aid.

NICARAGUA

PRESIDENT ORTEGA SPEAKS AT SANDINIST ASSEMBLY

PA031942 Managua Domestic Service in Spanish 1734 GMT 3 Aug 85

[Speech by President Daniel Ortega Saavedra to close Sandinist Assembly meeting at the Cesar Augusto Silva Convention Center in Managua -- live]

[Text] Twenty-four years ago, when our historical vanguard, the FSLN, sprung up amid songs of heroism from the very roots of our history, we began to build the party of the people in conjunction with the voices of the workers and peasants who were struggling in the world with a longing for justice, freedom, and independence. The historical response was given through the FSLN, synthesis of our people's unfinished struggle against Yankee imperialism and for the major social transformations that were to free Nicaraguan workers from the yoke of capitalist oppression and exploitation.

We, the heirs of Augusto Cesar Sandino's historical program, enriched it with international revolutionary thinking and experience. Surviving through the centuries, Simon Bolivar and Karl Marx became, along with Sandino, an inexhaustible, mighty, fresh, and timely foundation for the new Sandinist generations. This was the thinking, this was the option, that was wisely implemented by Carlos Fonseca, Jorge Navarro, Silvio Mayorga, Rigoberto Cruz, Oscar Turcios, Ricardo Morales, and Pedro Araus, among other Sandinist militants at a historically decisive time in the consolidation of the FSLN.

Our vanguard was forged through guerrilla fronts, demonstrations, assemblies, jails, torture, and daily fighting. Our party did not announce itself or say it was a party. It was the blood and sacrifice of the fighters that built a worthy, steadfast, and unbeatable party. Our FSLN was composed of rebellious people who destroyed and expelled capitalist and imperialist domination from Nicaragua on 19 July 1979. We used to be a clandestine cell or a guerrilla squad and are now laborers' peasants', workers', and people's power.

We are confronting the same enemy that dreams of reestablishing its dominion of terror in our homeland. The people are demanding more organization to defeat that enemy, and the organization requires that the people's party, the FSLN, be more solidly structured every day. We are engaged in a war without quarters against an enemy that is bent on destroying our revolutionary process. As in (El Patuca), (Arraisi), and Bocay during difficult times, we must build up the quality of the vanguard, of the FSLN, leader of the entire society. As in Pancasan during the most dire times, setbacks must be turned into further ideological unity, further political unity, further action, and further organization to comply with the goals set by the vanguard..

As in Zinica, we must continue looking to the future through Carlos' eyes, which the scourges were unable to close. Just as in the final offensive -- when the overall leadership [conduccion integral] was decisive in defeating the Somozist dictatorship -- today, more than ever, we need this overall leadership which, having been born of the FSLN, reproduces and multiplies itself through a strict and disciplined fulfillment of the tasks and critical [word indistinct] by Sandinist activists.

We strengthen this vanguard, this party, this FSLN to the extent that it is led by the people. Strengthening the National Directorate, the Sandinist Assembly, the auxiliary departments, the regional committees, the zone committees, and the grass roots committees, is the task of those of us who hold posts and responsibilities but who are, above all, Sandinist activists.

It is as activists of our vanguard, of our party, and of our FLSN, that we owe ourselves to the people.

Today, enriched by experience, we are adopting new structures that result from our practice and daily confrontation with Yankee imperialism. We know that the FSLN cannot fail the people because it was born from the humble origin of our heroic people. Over the last few days the U.S. Government leaders have ordered, through the CIA, the Pentagon, and its mercenary forces, terrorist attacks deep inside our territory. Because of the heavy blows the armed people have dealt to the counterrevolutionary forces, the expulsion of those forces to their camps in Honduran and Costa Rican territory, and the strategic defeat imperialism and the counterrevolutionaries are beginning to suffer, the CIA and Pentagon strategists are launching desperate strikes, sending mercenary groups deep inside our territory.

The $27 million approved by the U.S. Congress for so-called humanitarian aid to the counterrevolutionaries will be used to try to reactivate the terrorist actions by the mercenary forces. It will be used to violate the human rights of the Nicaraguan people, for terrorism, for the genocidal guardsmen. Those $27 million are to be used to kill mothers in Nicaragua, to kill children, women, youths, and elderly people. The $27 million will be used to destroy and to sow terror.

However, we are defeating and will continue defeating and expelling the Yankee aggressors in La Trinidad and Sarapiqui because we are the FSLN, because we are the organized people. Even if they bring their warships threateningly close, we will not capitulate. We have said, and repeat, that we are willing to voluntarily engage in dialogue and that we are bent on fighting against force.

We want peace, and so we defend this revolution. We want peace, and so we aspire to a peaceful solution of problems and have accepted the Contadora peace document. We want peace, and so we are prepared to engage in dialogue with the United States which, with its imperialistic policy, is the cause of destabilization in Central America. We want peace, and therefore we are ready to immediately engage in talks with our neighboring countries, which are also victims of the aggressive United States policy.

We are prepared for peace but are also bent on continuing to fight and resist until we defeat imperialist aggression. This is a time for new forms of party organization to guarantee the homeland's defense. This is a time for new forms of party organization to conscientiously assume the task of production with efficiency, austerity, and discipline. Hard work during working hours are part of the daily and successful fighting at the military fronts.

It is time for new forms of organization to strengthen the unions, the mass organizations, and revolutionary vigilance. It is the time for new fighting, new battles, and new victories by the FSLN to attain total victory. It is the time for new fighting, new battles, and new victories by the FSLN to attain total victory. It is the time of the FSLN, of the people firmly holding the rifles to defend laborers' power, peasants' power, workers' power, and people's power. It is time to defend this free fatherland or die! [applause]

ORTEGA ON CONTADORA DEPUTY MINISTERS MEETING

PA050258 Managua Domestic Service in Spanish 0125 GMT 5 Aug 85

[Statement by President Daniel Ortega on meetings with Contadora Group deputy foreign ministers in Managua on 4 August -- recorded]

[Text] [Reporter] Commander, what are the results of the meeting between the deputy foreign ministers of Contadora and Father D'Escoto?

[Ortega] We are going to take advantage of this meeting with the representatives of the Contadora Group to reiterate our support for the peace effort that the Contadora Group has been making for more than 2 years. It is a peace effort that has been reinforced by the support of other Latin American governments, which have decided to form a commission to support the Contadora Group. We also told the Contadora Group representatives that we fully support the six points submitted at the last meeting in Panama.

We favor revitalizing the Contadora Group's peace efforts. This also means that Nicaragua has never been nor will be obstacle to advancing the discussion of the Contadora Group peace plan. On the contrary, we said that Nicaraguan has been the only country that has accepted the 7 September 1984 agenda as submitted by the Contadora Group. We accepted it as it was without making any amendments. We also expressed our concern over the tense regional situation, which is worsening, and that we do not see a possible peaceful solution to the problems, especially with the U.S. authorities. We told the Contadora Group representatives of our worries so it can include in all its efforts our various problems, which among other things is to see that the Contadora peace plan is accepted.

[Reporter] Commander, regarding the dialogue with Costa Rica, what has been discussed with the deputy foreign ministers?

[Ortega] We sent a letter to President Monge in which we told him we were not interested in getting involved in a discussion regarding the letter he sent us yesterday. We also clearly told the Costa Rican Government that we are willing to meet immediately to discuss the security zone along our border. We told the Contadora Group representatives about Nicaragua's decision regarding Costa Rica, so Contadora, knowing our intentions, can do whatever it deems necessary to bring about dialogue with Costa Rica. The Contadora Group already made a definite proposal suggesting that the dialogue be held during the first 10 days of August, but time has been passing.

[Reporter] Commander, what about the dialogue with the United States?

[Ortega] We have also expressed our willingness to resume the dialogue with the United States, despite the fact that the U.S. Government has previously rejected resuming dialogue with Nicaragua.

[Reporter] The Costa Rican Government said the Contadora process was moving too slowly and submitted some proposals to the Group. What can you tell us about that?

[Ortega] We do not have much information about it, because it is part of the bilateral contacts that the Contadora Group is carrying out with each Central American government. However, we must stress Nicaragua's decision to support the six points submitted by the Contadora Group at its recent meeting in Panama.

PRESIDENT ORTEGA'S LETTER TO COSTA RICA'S MONGE

PA030322 Managua Domestic Service in Spanish 0230 GMT 3 Aug 85

[Letter from President Daniel Ortega Saavedra to Costa Rican President Luis Alberto Monge on 2 August; place not given -- read by announcer]

[Text] Your Excellency:

The concern for the ever-growing tensions in Central America, especially on the border between Costa Rica and Nicaragua, brings us to express the following suggestions, which are in accordance with the seriousness of the problem.

The Nicaraguan Government has repeatedly charged that foreign forces are bent on promoting tensions, through artificial incidents between Costa Rica and Nicaragua, in an attempt to create conditions that will facilitate generalization of the war situation experienced in the Central American area, and to find a pretext to allow them to justify direct military intervention against Nicaragua.

The Nicaraguan Government is the first to deplore the difficult situation at the border with Costa Rica and regrets the deaths of tens of Nicaraguan women, children, old people, youths, and soldiers and Costa Rican citizens, including two civil guardsmen who died tragically on 31 May 1985. These incidents have caused the loss of tranquility and unrest among the residents of that area. [6-second break in transmission] Nicaraguans affected by the activities of the mercenary groups to the extent that they have abandoned their homes and property to seek protection in more secure areas.

It is not necessary to mention the great responsibilities placed on our governments in defense of peace and welfare of our peoples by removing the threats of war and foreign intervention, which would only bring more bloodshed, destruction, and sorrow on our common homeland, Central America.

I acknowledge receipt of your letter that I received today, 2 August, and we totally agree with you when you say we must put forth efforts for our two peoples to have normal relations of friendship, which we have traditionally maintained. In this sense, we believe this is not a time for sterile controversies or politics by force. We are convinced that the time has come to take concrete steps for detente and peace, and to put aside party and electoral ideologies, which our peoples will understand. As a consequence of the sacred duty of struggling for peace, the Nicaraguan Government believes that the greater the dangers threatening our peace, the greater the degree of serenity with which these dangers must be confronted. It is evident that the situation at our border calls for urgent and effective solutions and that the most feasible way to achieve this is to create a security zone under international supervision. This is why we are pleased with your government's positive reply and the willingness of the Contadora Group and France to help in its establishment.

President Luis Alberto Monge, Nicaragua formally proposes to you, to the Costa Rican people, and to all the political parties that we take effective steps for peace such as appointing Costa Rican and Nicaraguan delegations that, under the sponsorship of the Contadora Group and France, will meet in Panama during the first 10 days of August as suggested by the Contadora Group in its communique of 22 July.

With the assurance that the Costa Rican people and the Nicaraguan people fervently desire peace, I express my trust that, through dialogue and peaceful agreements, it will be possible to favorably overcome the difficult situation we are experiencing today. The Nicaraguan Government and people send you and the Costa Rican people our greetings.

Cordially yours,

[Signed] Daniel Ortega Saavedra

FOREIGN MINISTRY SENDS PROTEST TO COSTA RICA

PA031500 Managua Radio Sandino in Spanish 1207 GMT 3 Aug 85

[Text] Nicaragua has sent a formal protest to the Costa Rican Government because mercenary groups have attacked Nicaraguan positions from the Costa Rican side of the border.

The attacks by the mercenaries took place after 1500, when the Sandinist People's Army [EPS] dislodged and occupied another important base that the so-called Democratic Revolutionary Alliance [ARDE] had in Nicaraguan territory, in the area of Sarapiqui, on the San Juan River.

A Nicaraguan Foreign Ministry note points out that after the EPS operation, dozens of counterrevolutionaries who were at that base went to Costa Rican territory and are now attacking Nicaraguan positions from there. The note states that there is a Costa Rican Civil Guard post near the positions being occupied by the contras and that the Costa Rican civil guardsmen so far have done nothing to impede the attacks or to disarm the attackers.

The Nicaraguan Government has urgently asked that the Costa Rican Government instruct the authorities in the northern region of that country to stop the attacks and arrest the ARDE contras. The note was sent last night to Costa Rican Foreign Minister Carlos Jose Gutierrez.

FSLN RESTRUCTURES TOP POLITICAL COMMITTEE

PA032343 Panama City ACAN in Spanish 2304 GMT 3 Aug 85

[Text] Managua, 3 Aug (ACAN-EFE) -- The FSLN today announced a new political structure to counter the "imperialist attack" after 2 days of special sessions by the ruling party's top consultative body. During the adjournment of the special sessions of the Sandinist Assembly, there were several changes agreed to for the FSLN Political Committee, led up to now by Commander Bayardo Arce.

The Political Committee, which also included Jaime Wheelock, minister of agricultural development and agrarian reform, and Humberto Ortega, has been replaced by an Executive Committee, headed by the president of the country, Daniel Ortega.

According to Sandinist sources speaking after today's session, these changes are intended to strengthen the quality of the FSLN vanguard and its role as leader of Nicaraguan society.

Commanders Jaime Wheelock, Humberto Ortega, Victor Tirado Lopez, and Tomas Borge complete the roster of the Executive Committee, with Bayardo Arce as its deputy coordinator. Daniel Ortega now heads the Sandinist government and the policy of the ruling party, founded 24 years ago by FSLN Commander in Chief Carlos Fonseca, who was killed in combat in 1977.

The reorganization of the Sandinist front coincides with the increased clashes between Nicaraguan troops and rebels on the country's northern border, which prompted the urgent convocation of the consultative sessions that began yesterday and ended today. Ortega indicated in his adjournment speech that these rebel attacks are "desperate blows" by mercenaries paid by the North Americans to defeat the Sandinist revolution.

The new party leadership, it was reported, responds to the need to strengthen the FSLN political unity and the struggle against the imperialist aggression. Bayardo Arce, deputy coordinator of the new committee, added that the party, which is criticized by the opposition as being bureaucratic and sectarian, thus increases its "efficiency" and capacity for "overall leadership."

The Sandinist Assembly pointed out that the changes were the result of a "rigorous structural revision of the party" concerning the "practice of confrontation against imperialism."

D'ESCOTO ASKS FOR NETHERLANDS' ASSISTANCE

PA032211 Managua Radio Sandino in Spanish 1200 GMT 3 Aug 85

[Text] Foreign Minister Father Miguel D'Escoto yesterday asked his Netherlands counterpart, Hans van den Broek, to use his good offices to convince the U.S. Government to stop its attacks on our country. In his letter, D'Escoto requests that the Netherlands official ask the United States to stop using terror against the Nicaraguan people and to agree to solve differences through dialogue. D'Escoto, who has been fasting for 26 days in defense of life and against aggression, thanked the Netherlands people for their solidarity and support of the evangelical insurrection, in the framework of which many Netherlands Christian sectors have called for an end to the aggression against Nicaragua.

DOCTORS TELL D'ESCOTO TO SUSPEND FAST

PA031519 Managua Radio Sandino in Spanish 1200 GMT 3 Aug 85

[Text] Doctors caring for Father Miguel D'Escoto Brockman have recommended that he suspend the fasting initiated 27 days ago because his health has deteriorated in recent days. A medical report read last night at the Monsignor Lezcano Church by Dr (Kevin M. Kaye) states: [Begin recording] For more than 20 years I have served as a doctor and friend to Father Miguel D'Escoto. Today I had the opportunity to carefully examine Father D'Escoto on several occasions and to review the control reports prepared by Dr Juan Ignacio Gutierrez since Father D'Escoto initiated his total fasting on 7 July.

Although I don't believe that Father D'Escoto has suffered any irreversible damage as yet, his health has significantly deteriorated in recent days. His chemical and liquids balance is precarious. It is clear that there is growing danger that he may suffer serious, and potentially fatal, cardiac problems, and other problems, as a result of the prolonged total fasting. Therefore, Dr Gutierrez and I recommend that the fasting be interrupted to avoid unnecessary complications. [end recording]

Meanwhile, sources close to Father D'Escoto said he could suspend the fast within the next few hours.

Ends Fast

PA032014 Buenos Aires REUTER in Spanish 1953 GMT 3 Aug 85

[Text] Managua, 3 Aug (REUTER) -- Nicaraguan Foreign Minister Miguel D'Escoto said today that he ended the fast he began 26 days ago to protest the U.S. policy toward his country. D'Escoto, a 52-year-old Catholic priest, told newsmen that he ended the fast last night because Nicaraguans depend on him to defend the revolution that brought the Sandinist government to power in 1979.

A medical communique announced yesterday that D'Escoto's health had deteriorated and that he was "in increasing danger of suffering serious and potentially fatal cardiac problems." Last night a group of demonstrators marched in front of the church in which D'Escoto was fasting carrying slogans that read: "Foreign Minister, we need you alive." After receiving a telephone call from President Daniel Ortega inquiring about his health, D'Escoto attended mass and later ate his first solid food in 26 days, which was a plate of boiled rice.

The foreign minister began his fast on 7 July to protest what he described as "terrorist policies of the United States," alluding to Washington's support of the insurgents fighting to overthrow the Sandinist Government.

TINOCO ENDS OFFICIAL VISIT TO CZECHOSLOVAKIA

PA022005 Managua Radio Sandino in Spanish 1750 GMT 2 Aug 85

[Text] Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco described the material, financial, and political aid from the socialist community to Nicaragua as fundamental international solidarity. Tinoco, who left the Czechoslovak capital today where he was on an official 3-day visit, also said that the socialist and Latin American countries are becoming more unified every day regarding Nicaragua's defense, as these countries view it as the defense of national sovereignty.

Commenting on the Central American situation, Tinoco said that Nicaragua has no political or economic problems with its neighbors, but that problems have arisen inasmuch as the United States uses Honduran and Costa Rican territories as havens for counterrevolutionaries.

EPS POLITICAL DIRECTORATE PUBLISHES NEW MAGAZINE

PA022156 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 2 Aug 85

[Text] The Sandinist People's Army, EPS, Political Directorate has begun publishing a new magazine. Its name is SEGOVIA.

[Begin recording] [Reporter] The first edition of the new magazine SEGOVIA, which is an organ of the EPS Political Directorate, was issued on 27 July. How was this magazine created? Here is Companero [name indistinct] Blandon, editor of the magazine, who will tell us about it.

[Blandon] With pleasure. We have been working on this project for quite some time. We decided to name it SEGOVIA because this magazine I am showing you now was edited in 1954 by the commander-in-chief of the Sandinist People's Revolution, Companero Carlos Fonseca Amador. I had the opportunity to work with him as a collaborator. We thought it would be a good idea to use this name, in remembrance of the first news organ directed and edited by Commander Fonseca, who found it very useful for expressing his ideas.

[Reporter] What is the objective of this magazine?

[Blandon] As I said before, this magazine is intended to be the voice of the fighters and soldiers. We want them to feel represented in this magazine, in which they can express themselves, and which can contribute to their military and political development and to raising the morale of the fighters.

[Reporter] Basically, the magazine offers articles and reports on the country's main task, defense. It reports on the activities of the fighters, and at the same time contributes to their cultural development. In addition, the magazine will be a means of communication between fighters who are in various parts of the country. What is the importance of this first edition?

[Blandon] It is a great responsibility, because we believe that it is of utmost importance for the fighters to have access to a media organ they can call their own, that represents them and reflects their own [word indistinct] and activities. [end recording]

DEFENSE MINISTRY UPDATE ON LA TRINIDAD SITUATION

PA021408 Managua Radio Sandino in Spanish 1205 GMT 2 Aug 85

[Report issued by the Defense Ministry Public Relations Directorate in Managua; date not given -- ready by announcer]

[Text] Permanent troops and territorial militias of the Sandinist People's Army [EPS] and the Sandinist Air Force have fought a Somozist counterrevolutionary group since 0500 yesterday near La Trinidad, 13 km southeast of Esteli, while the town's civil defense repelled part of the group that was able to enter the small town. Thirty-three counterrevolutionaries were killed in this action.

Economic targets and installations that provide services to the citizens were affected by the mercenaries. These include the silos where the community's basic grains are stored. They were partially destroyed. A bus carrying civilians was completely burned by the Somozists on a road. A woman was injured in that action. The La Trinidad health center was attacked by a mercenary group. A vehicle of the Health Ministry was partially destroyed and a civilian jeep was attacked by the Somozists. Some Nicaraguan Telecommunications and Postal Services poles were damaged. A [Soviet made] Lada vehicle circulating on a road was totally destroyed. Four companeros of the Interior Ministry and two minors traveling in it were killed in the action. The companero coordinator of the local Sandinist Defense Committee was also killed by the mercenaries when he participated in the militia defense.

These are the results thus far. On our part, eight companeros of the EPS were killed in the clashes with the mercenaries. Two counterrevolutionaries were captured by our troops.

41 Contra Casualties Reported

PA021731 Managua Radio Sandino in Spanish 1645 GMT 2 Aug 85

[Text] We have learned from the Defense Ministry that as of now 41 bodies of the counterrevolutionary band that dared to attack La Trinidad municipality in Esteli Department have been found and registered. The Defense Ministry added that 10 members of that mercenary Somozist band, which inflicted damage in that sector of our country, have been captured, and that they are considering the possibility of presenting those captured to national and international reporters very soon. We repeat: They have found 41 bodies, and a search is under way for more bodies, more wounded, and those elements who are fleeing and may be captured.

Some of the damage inflicted by those members of the self-styled Nicaraguan Democratic Force after raiding that township located 120 km north of Managua included the partial destruction of a health center, a basic grain warehouse, and six private vehicles. (?The attack occurred) in the morning by a group of approximately 150 counterrevolutionaries wearing olive drab Sandinist People's Army uniforms which is how they were able to deceive the citizens and easily enter the city. They attacked the township of La Trinidad with rifle fire, RPG-2 rockets, and fragmentation grenades, although the attack was repelled by the people's militia in the region resulting in the death of eight militiamen and several wounded.

We repeat: The latest report from the Defense Ministry reports 41 counterrevolutionaries killed and 10 captured.

SANDINIST ARMY BREAKS UP CONTRA PLAN IN ESTELI

PA050435 Managua Domestic Service in Spanish 0130 GMT 5 Aug 85

[Report by (Gustavo Bindel) from Esteli]

[Text] The Sandinist People's Army [EPS] territorial troops and the Sandinist Air Force broke up a counterrevolutionary plan called "Rebellion 85" against Esteli. This was reported here today by Commander Salvatierra said that between 1 and 3 August, 129 counterrevolutionaries were killed. Among the group of dead counterrevolutionaries are eight leaders who called themselves Richard, Camaron, Gorgojo, Pantera, Arnoldo, Guerrero, Veloz, and Relampago.

Commander Salvatierra explained that the mercenary plan called "Rebellion 85" was drafted by the CIA and was aimed at carrying out offensive actions deep into Nicaragua in an attempt to portray before the world that they are strong. Since 22 July approximately 1,150 Diriangen Regional Command members entered the country through the area of Jinotega and marched up to Sebaco where they clashed with our troops on 42 occasions. They staged an ambush and three sabotages.

For his part, Carlos Manuel Morales, minister delegate of the presidency and coordinator of the FSLN Regional Committee in Region No 1, said that the U.S. Government is funding these actions. He added that the objective of the enemy was to intimidate the civilian population. He said the counterrevolutionaries were not only defeated by the military, but were also defeated because the civilian population is on a permanent insurrection and Esteli has 37 first aid brigades, 102 fire brigades, and 72 air raid shelters. He also said that during the attack the contras destroyed three health centers, a pharmacy, an ambulance, a basic grains warehouse, and four homes in Llano Largo, La Trinidad. A Catholic church was also partly destroyed.

Forty-one counterrevolutionaries were captured by the EPS and 56 FAL, Chinese made AK, and 3 A-3 rifles; 2 RPG-7's, M-79 grenade launcher, much ammunition, uniforms, and boots, were shown to this reporter.

Meanwhile, Christian Pichardo, Interior Ministry delegate in Region No 1, said, since January to 19 July, 256 counterrevolutionaries have accepted amnesty. Commander Walter Ferreti and Companero Agustin Lara, delegate of the presidency in Region No 5, were present at the press conference.

ARDE REPORTEDLY ATTACKS EPS FROM COSTA RICA

PA030149 Managua Radio Sandino in Spanish 0003 GMT 3 Aug 85

[Text] The Sandinist People's Army [EPS], today dismantled the last camp of the counterrevolutionary group Democratic Revolutionary Alliance [ARDE] in the San Juan River area, in southern Nicaragua. The EPS occupied the contra camp at Sarapiqui at 1500. Dozens of contras fled into Costa Rica.

It was learned that once dislodged from their position the ARDE troops attacked the Sandinist soldiers from Costa Rican territory. A source close to the Foreign Ministry in Managua said that the Nicaraguan Government will protest this attack before the Costa Rican Government because it took place inside Costa Rica, near a Civil Guard border post.

REPORTAGE ON CONTINENTAL FOREIGN DEBT DIALOGUE

2 Aug Proceedings

FL022015 [Editorial Report] Havana Television Service in Spanish at 1309 GMT on 2 August begins live coverage from Havana's Palace of Conventions of the Continental Dialogue on the Foreign Debt. The chairman of the session is Percival Patterson, former deputy prime minister of Jamaica.

Patterson calls the meeting to order at 1314 GMT. In English, he thanks Fidel Castro for last night's reception held for the delegates. The camera gives a close-up of Castro who is smiling and laughing at the applause he receives.

Carlos Manuel, representing Ecuador's president, is introduced at 1315 GMT. Manuel says, historically, Ecuador has poorly handled its foreign debt. At one time it was renegotiated. However, it was done so badly that it had to be renegotiated again. The World Bank, he says, was controlling the foreign debt. The representative from Ecuador says that his government was forced into excessive public spending and was forced to abandon the agricultural sector. Agricultural goods had to be imported. Manuel states: "We should not be held responsible for the errors of others, but for the errors we make." He indicates that Ecuador had no alternative but to face the IMF and renegotiate its foreign debt. This is Ecuador's first priority. A new economic program was designed by Ecuador itself, not by the IMF, he stresses. Ecuador's restructured its interest rates and disciplined its government spending to reduce inflation and the deficit. Manuel emphasizes that this renegotiation was not developed by the banks but by Ecuador itself with its people's needs in mind. He concludes by saying that the debts should be respected but not at the cost of the country's democracy. Manuel offers to discuss Ecuador's economic experiences with whomever is interested. He finishes his speech at 1335 GMT.

Haslim Parris, prime minister of Guyana, is introduced at 1336 GMT. Parris notes that many of the speakers have been repeating Castro's statements on the foreign debt, which shows unity and proof that Castro is right. He agrees that the foreign debt is a political question, not economic. Parris says that the immediate task is to establish a method of joint action. Parris finishes his speech at 1346 GMT.

At 1347 GMT, the chairman introduces Edgardo Enriquez, former minister of Chile and currently economics professor at the Autonomous University of Mexico. Enriquez stresses that he is presenting his own opinion of the foreign debt problem. When Allende was defeated by the military coup, Chile's foreign debt was $4 billion. Chile's foreign debt now exceeds $20 billion and has to take out more loans to make the interest payments. Enriquez says that those billions of dollars have been invested in repression, arms, and salaries for torturers, jailers, and assassins. The representative from Chile asks why the people should have to pay a debt incurred by a government it did not elect and which is occupying their land. Enriquez says the military coup was supported by former U.S. President Richard Nixon, who admitted this in front of television cameras on the David Frost show. He says Pinochet's terrible, dictatorial regime has been financed by previous U.S. governments, especially the current government. He concludes at 1358 GMT by saying that Chile should not pay the debts of a government it did not select.

At 1359 GMT the chairman introduced Alba Roballo, former senator and minister from Uruguay. Roballo says Latin American governments, with the exception of Cuba and Nicaragua, are very conditioned by imperialism. The delegate from Uruguay says the only thing they should affirm is the start of a battle at the national, continental, and world levels against poverty and suffering.

Roballo says Cuba and Nicaragua are examples to other Latin American countries in their struggle for their people. She stresses that the debt will not be paid; the battle is won. Roballo calls for Latin American unity, necessary to face imperialism as Cuba has done. She praises the solidarity of Cuban women. Roballo ends her speech at 1414 GMT.

At 1415 GMT Patterson introduces Oscar Lopez Balestra, vice president of the Chamber of Deputies and leader of the National Party of Uruguay. Lopez Balestra blames imperialism for the foreign debt. The problem, he says, is between the people and the oligarch to the north. The representative from Uruguay says: "Today, in Havana, we say 'enough'. They tremble; they suffer fear; they are concerned by our meeting here. He finishes at 1429 GMT by calling for a signed agreement that makes it clear that a debt created by a government not elected by the people will not be honored.

The chairman introduces Avelino Gancer, president of the Workers Trade Union of Brazil, at 1429 GMT. Gancer begins by saying that he attended the trade union conference on the foreign debt recently held in Havana. The trade union representative outlines the bleak economic situation of peasants in Brazil. The peasants either have no land or a plot of land too small for their needs. Gancer asks the Brazilian delegation to unite with the other delegates against imperialism and against the foreign debt. The delegate from Brazil finishes his speech at 1439 GMT.

At 1439 GMT Patterson introduces Humberto Cayoja Riart, president of the Revolutionary National Alliance Party of Bolivia. Cayoja Riart questions the value of international organizations such as the OAS, saying that these organizations need to be restructured to meet the needs of Latin American countries. He expresses support for Castro's statements on the foreign debt. The representative from Bolivia calls for a new international economic order, finishing his speech at 1451 GMT. Patterson thanks all the speakers for their participation. The moderator announces that the second session will be presided over by Gabriel Garcia Marquez, distinguished writer and Nobel Prize winner. The first speaker will also be a Nobel Prize winner, Adolfo Perez Esquivel. The session is adjourned for a 30-minute recess at 1505 GMT.

Havana Television in Spanish at 1545 GMT on 2 August resumes live coverage after a 30-minute recess from Havana's Palace of Conventions of the Continental Dialogue on the Foreign Debt. The camera focuses on Fidel Castro speaking with the moderator, Gabriel Garcia Marquez. At 1546 Garcia Marquez apologizes for being moderator and says any errors he makes are because of his lack of moderator qualities.

Garcia Marquez introduces Nobel Peace Prize winner Adolfo Perez Esquivel at 1550 GMT. He walks to the podium while the audience gives him a standing ovation. Perez Esquivel has just finished a tour through the United States and he asks about the phrase "liberty and justice for all." Who does "all" refer to if not to all of Latin America, he asks.

Esquivel has a letter that he will pass around for people to sign asking Miguel D'Escoto to end his hunger strike. After this meeting, Perez Esquivel will go to Nicaragua to see D'Escoto who is on a hunger strike for peace. The audience applauds this gesture. Perez Esquivel calls for Latin American integration which would require a reduction in military spending. He finishes his speech at 1604 GMT. He shakes hands with Castro and receives a standing ovation from the audience. Garcia Marquez announces that Castro will be the first to sign the letter for D'Escoto. The camera gives a medium shot of Castro as he signs the letter.

At 1606 GMT the chairman introduces Gilberto Vieira, secretary general of the Communist Party of Colombia. Vieira criticizes the economic policies of Colombian President Belisario Betancur who rejected the idea of a moratorium on the foreign debt. His policies caused the devaluation of the Colombian currency in relation to the U.S. dollar. Vieira gives examples of the fees Colombians have to pay on utilities, adding that the people will not be able to indefinitely tolerate such fees. The Colombian delegate says this is proof that Castro is right in saying that the foreign debt is not payable. He agrees with Castro's statement that the debt will be resolved and the economic crisis overcome or there will be a social uprising. Vierira finishes his speech at 1615 GMT.

At 1615 GMT Garcia Marquez introduces Rafael Cordova Rivas, member of the Sandinist liberation government and of the Conservative Party of Nicaragua. Cordova Rivas begins by greeting Nicaraguan Vice President Sergio Ramirez. Cordova Rivas says: "If we could pay the foreign debt, we would. We have the intention, but the reality is that we cannot pay. This is the problem. The foreign debt is not payable and not collectible." He says they cannot approach the monetary institutions because they would worsen the problem. Cordova Rivas calls for unity so that political parties, unions, and mass organizations will place pressure on their governments not to pay the foreign debt. The representative from Nicaragua says: "If they pay a little, they will continue to pay." Cordova Riva ends his speech at 1625 GMT. As he heads back to his seat his shakes hands with other delegates and with Castro. He is embraced by Sergio Ramirez, vice president of Nicaragua.

Liber Seregni, of the Uruguayan Broad Front, is introduced at 1628 GMT. Seregni begins by saying that his words will be calculatedly cold. He says the developed countries have no desire to accept responsibility for the economic crisis or the desire to treat it as a political problem. Seregni stresses that it is necessary to force them to do so. He concludes by saying that unity is the solution to the economic crisis. Seregni finishes his speech at 1641 GMT. As he returns to his seat he shakes hands with delegates, kisses Hortensia Bussi de Allende, Salvador Allende's widow, and shakes hands with Castro.

At 1642 the chairman introduces retired General (Rishelu Levoie), national deputy of Ecuador. The delegate from Ecuador stresses that he is strictly expressing his own opinions and what he says does not reflect the opinions of his political party or of his government. He says that the only solution to the economic crisis is the new international economic order that Castro has called for. He expresses support for Castro's proposal to cut military spending. The delegate from Ecuador calls for unity of the Latin American people to face the economic crisis. He stresses that military force is not the solution to the economic crisis. He finishes his speech at 1655 GMT.

At 1655 the moderator introduces Eberto Castillo, president of the Mexican Workers Party. Castillo says that many of the solutions offered by the delegates are not practical for most Latin American countries because of their close ties to the IMF. Mexico would have to pay its foreign debt with its oil. He states that it is already using oil to pay the interest. Castillo says a new international economic order is the only solution to the economic crisis. He calls for each country to renegotiate its foreign debt with its creditors. He finishes his speech at 1705 GMT.

At 1705 GMT the moderator introduces Leopoldo Diaz Brusual, former president of the Central Bank and former minister from Venezuela. Diaz Brusual says that the foreign debt is or is not payable depending on the situation. He states that each country and creditor has to be considered. Some creditors are private banks while others are governments of industrialized countries. Some debtor countries cannot afford any payments while others can afford sizeable sums. Diaz Brusual says the only viable solution is an international organization that can handle each individual situation. The delegate from Venezuela finishes at 1717 GMT, thanking Castro for the opportunity to participate in the dialogue.

Garcia Marquez announces that the afternoon session will begin at 1930 GMT. The chairman will be the Nobel Peace Prize winner Adolfo Perez Esquivel. Henck Arron, former prime minister of Suriname will be the first speaker. At 1730 GMT the camera returns to the studio.

Havana Television Service in Spanish at 1946 GMT on 2 August begins live coverage of the afternoon session. As coverage begins, the chairman of the afternoon session, Nobel Peace Prize winner Adolfo Perez Esquivel, is announcing the afternoon's second speaker.

At 1947 GMT, the first speaker, Rodrigo Borja Cevallos, leader of the Democratic Left party of Ecuador, begins his speech. He calls for political solutions to the debt, which began as a financial and economic problem. He proposes the birth of a firm political will in Latin America to take concerted action on the debt, and for a resistance front to oppose economic imperialism. He cites statistics on world income and speaks of the urgent need for a new international economic order. He ends his speech at 1959 GMT.

At 2000 GMT, Commander Pablo Monsanto, leader of the Guatemalan National Revolutionary Unity [URNG] organization, begins his speech by saluting Nicaraguan and Salvadoran resistance to U.S. actions. He states the URNG's political goal -- the construction of a new Guatemala. He says the Guatemalan revolutionary struggle is just and Guatemalan revolutionaries support nonpayment of the debt. He describes Guatemalan social ills and speaks of the Guatemalan oligarchy. He speaks of the interdependency of the developed and the developing countries, then returns to the nonpayment of the debt. At 2014 GMT he ends his speech.

At 2026 GMT Joao German Neto, vice president of the Foreign Relations Commission of the Chamber of Deputies of Brazil, begins his speech. He speaks first of the overthrow of the Brazilian military dictatorship, and thanks Fidel Castro for Cuban help in training democratic elements and opening Cuba to exiled Brazilians. He reads the pledge of the Brazilian delegation to support the immediate renewal of relations between Brazil and Cuba. He says the foreign debt violates sovereignty and calls for an end to payments and solidarity and coordination between debtor nations to avoid reprisals by the creditor nations. He mentions the impossibility of condemning peoples to steadily worsening conditions simply to pay the debts. He finishes reading the pledge at 2038 GMT, then speaks of the Brazilian economic and political situation. He calls on the Brazilian President to call a summit conference on the foreign debt, which he says everyone knows will never be paid. He calls for a new Bretton Woods agreement and a new international economic order. He says it is necessary to organize a Latin American payments union. At 2046, he ends his speech.

At 2047 GMT, Panamanian businessman Alberto Pons begins his speech. He says he is a private Panamanian businessman and a capitalist, expressing his own points of view. He says the foreign debt is terrifying and of the greatest concern to businessmen. He says businessmen reject the position of the IMF but it is hard to find a solution to the debt problem. He traces the progressive growth of the Panamanian foreign debt, and the accompanying increase in sales and income during the 1970's. He calls for a solution to the debt that does not weaken development. With an antecdote, he says that to pay the debt would be a criminal action, and then calls for a debtors' strike in support of Fidel Castro's proposal. At 2058 GMT, he ends his speech.

At 2059 GMT, Radomiro (Tomic), described as a Chilean Christian Democrat, begins his speech. He examines the relationship between developed and developing countries and proposes a new international economic order based on a new national economic order of the victims of the present system. He says the debt is an unbearable burden. He says it is unpayable and uncollectible because it is immoral. He asks why loans continue when it is known that the loans cannot be repaid, responding that it is a deliberate policy carried out to subvert the national sovereignty of the borrowing nations. He speaks of the Chilean national debt of $20 billion, saying Chile must borrow $2 billion yearly to pay the interest on the debt. He says the foreign debt is the expression and not the cause of the so-called Latin American dependency on the developed countries. He provides historical data on the UNCTAD 3 meeting held in Chile in the 1970's. He speaks in support of a new international economic order. At 2126 GMT, he ends his 27-minute speech.

At 2129 GMT, Juan Antonio Pera, a student leader from Puerto Rico begins his speech by expressing his gratitude for the opportunity to attend the debt dialogue. He says the debt cannot and must not be paid. He quotes biblical sources on debt and cites the Old Testament on the forgiving of debts every 7 years. He calls for the strengthening of Latin American unity, and cites International Youth Year as an element in strengthening Unity. He speaks of the "war situation" imposed on Nicaragua and El Salvador. At 2141 GMT, he ends his speech.

At 2141 GMT, Chairman Perez Esquivel calls a 30-minute recess after announcing there will be a night session beginning 2 hours after the end of the afternoon session. At 2142 GMT, coverage ends.

Havana Television Service in Spanish at 2224 GMT on 2 August resumes live coverage of the afternoon session of the fourth day of the Continental Dialogue on the Foreign Debt being held in Havana. Guyana Deputy Prime Minister William Haslyn Parris chairs this second part of the afternoon session. As coverage begins, the camera shows Fidel Castro conversing with unidentified delegates. At 2231 GMT Chairman Parris announces Miguel Angel de la Flor, former foreign minister of Peru, as the first speaker.

At 2232 GMT, De la Flor begins his speech. He marks the presence of approximately 30 retired military men at the debt conference. He refers to the period during which he was foreign minister of Peru, and provides historical data and information on Peruvian leaders of that period. He describes the increasing inequality of the developed and underdeveloped countries, saying that Latin American countries are poorer than ever. He expresses his support of Peruvian President Garcia's decision not to negotiate with the IMF and to limit debt payments to 10 percent of export income. He proposes an urgent summit meeting of Latin American governments to deal with the problem of the foreign debt. At 2244 GMT, he ends his speech.

Chairman Parris announces Juan (Tiney) of Guatemala, "who speaks on behalf of the participants in the Latin American and Caribbean Trade Union Conference held in Havana" 15-18 July 1985.

At 2300 GMT, Juan (Tiney) starts his speech by stating that he belongs to the Committee of Peasant Unity, CUC, of Guatemala but is speaking in the name of the trade union members and peasants of Latin America and the Caribbean who recently met in Havana. He announces he will read an extract drawn from the final document emitted by said conference, saying it calls for the cancellation of the foreign debt or the suspension of payments for an indefinite period. He reads a long list of recommendations related to the debt and ends his speech at 2314.

At 2315 GMT, Rene Mauge, secretary general of the Ecuadoran Communist Party, begins his speech. He provides statistical information on the Ecuadoran debt and economic situation. He calls for nonpayment of the foreign debt, support for a new international economic order, and the economic integration of Latin American countries. At 2326 GMT, he ends his speech.

At 2354 GMT, Bridgadier General Elio Garcia Barrios, retired, president of the Inter-American Institute of Military Law and War of Venezuela, begins his speech. He traces the origin of the armed forces of Latin America and refers to them as "armies of liberty." He refers to the role of the Armed Forces in Venezuela as guarantors of social progress and popular sovereignty. He then traces the history of the growth of Latin American indebtedness, "which is overwhelming our nation." He asks whether "the moneylenders forced us to accept their loans," or whether irresponsibility, a lack of patriotism, party interests, and an uncontrollable desire for profit also played a part. He believes no answer is required. He calls for action to recover Latin American dignity, prasing Fidel Castro for having called the debt conference. He says it is necessary to plan ways to confront the reactions of the creditor nations. At 0004 GMT, he ends his speech.

At 0004 GMT, Chairman Parris closes the session and announces that the evening session will begin at 2130, Guillermo Ungo presiding.

Havana Television Service in Spanish at 0157 GMT on 3 August begins live coverage of the special night session of the fourth day of the Continental Dialogue on the Foreign Debt. The chairman of the session is Guillermo Ungo, president of the Salvadoran Revolutionary Democratic Front, who introduces Gustavo Mainardi, representing the Argentine University Federation, at 0159 GMT.

Mainardi says that the great problem being faced by Latin American countries is imperialism's economic policy. He blames the oligarchy and military. He cites the criminal activities of the military in Argentina which, he said, represented the imperialist interests. He blames the Falkland Islands fiasco on the military and imperialism. He says the foreign debt has become a tool of intervention, which leads to unemployment, hunger, and poverty.

Michael Douglas of Dominica is introduced at 0210 GMT. He attacks Dominica's Prime Minister Engenia Charles, calling her Reagan's puppet. He says that even though his party lost the recent elections in his country, some progress was made despite all the foreign aid she received. He blames Charles for the invasion of Grenada, and termed the IMF a bitter medicine for all peoples. He continues attacking Charles. Referring to the Havana meeting on the foreign debt, he says it has afforded all participants an opportunity to join forces.

At 0238 GMT, Severo (Colberg) of Puerto Rico is introduced. After thanking Castro for the invitation to the conclave, (Colberg) says the foreign debt is unpayable and is threatening all peoples. He says his people's blood is Latin American, not American. He adds that the meeting marks a new starting point for Latin American unity. He thanks Castro for recognizing his country as another sovereign nation. He says that whatever the solution to the foreign debt problem it must be implemented unanimously to avoid retaliation from the IMF. He stresses that a solution must be found in the Havana meeting and that unity must prevail.

At 0250 GMT, Jorge Torre Vallejo of Peru is introduced. He says everybody agrees that the foreign debt is unpayable and uncollectible. He proposes the creation of an organization similar to the OAS, but formed by Latin American countries only. He proposes the creation of another organization to deal with the marketing of Latin American products. He stresses the integration of all Latin Americans.

At 0305 GMT, Rene (Teodore) of Haiti's Communist Party is introduced. He talks about 300 million francs in gold owed to the French capitalists. He talks about his people's struggle against foreign capitalists, and describes the poverty reigning in his country. In closing, he says all peoples must undertake the foreign debt problem united.

At 0345 GMT, George Louison of Grenada is introduced. He agrees with Castro that the foreign debt is unpayable. He praises the meeting for its historic significance. Citing gains made by his country during the Maurice Bishop regime, Louison says now the Grenadian peasants are earning less and working more. He says the Bishop government struggled for a true new order, sovereignty, and independence. He says mistakes made by the leadership of the party were used by the imperialists to choke the Grenadian revolution. He says unemployment has now reached 40 percent. He thanks Castro for the assistance given to his people in building a new order.

At 0419 GMT, Castro asks for the floor. He says he knows everyone wants to go to bed, but there is a point he wants to raise which he considers important. He says 102 persons have made speeches so far, but 370 have asked for an opportunity to address the participants in the meeting. Castro asks the participants to have him solve the problem. He says only 20 more speakers could be heard tomorrow, and there is a need for all to propose a way out. A Venezuelan delegate by the name of Mieres asks for an opportunity to clarify a problem. He goes to the podium and explains that there are differences within his delegation because the union leaders, who had signed the Act of Havana document during the meeting of Latin American and Caribbean Workers, refuse to endorse Peruvian President Garcia's proposal of a moratorium on the payment of the foreign debt.

At this point, the delegates and the chairman of the session, exhausted from a full day of speeches, begin to get loud and applaud to silence the Venezuelan delegate. The session chairman warns that differences within the Venezuelan delegation are not a matter of concern for the rest. He is finally silenced.

A member of the Uruguayan delegation withdraws his request for a turn on the dais, and another delegate from Brazil does the same. One delegate, not identified, proposes that all groups or countries get together and decide if their views have been voiced in order to withdraw requests for speeches. It is finally agreed by all to do that. The chairman of the session announces that the next session will begin 3 August at 0900, presided over by Leon Roldos Aguilera, a former Ecuadoran president. Coverage ends at 0445 GMT.

Manuel Ungo Speech

PA030028 Havana International Service in Spanish 2250 GMT 2 Aug 85

[Speech by Guillermo Manuel Ungo, president of the Democratic Revolutionary Front of El Salvador, at the foreign debt conference conference in Havana -- live]

[Text] Companero Commander Fidel Castro, president of the councils of state and ministers, companeros of the Presidium, companeros and companeras delegates. I am here to speak to you on behalf of the FDR and the FMLN [applause] fronts that express the will and the interests of the majorities of our people in all its wealth and plurality in struggle. We are pleased to participate in this historic, pluralist, and significant event. It is a happy and timely initiative undertaken by President Fidel Castro not only because of the importance and seriousness of the problem of the foreign debt in Latin America, the Caribbean, and the Third World, but also because, deep within this problem, two objectives struggle within the framework of a structural crisis that shows the failure of the dependent capitalist development model in Latin America and the Caribbean. During these crucial moments, we are the main players in the struggle between the imperialist attempt to continue imposing its hegemony on our continent and our people's determination to rescue their sovereignty and independence.

In El Salvador, the structural crisis and the imperialist attempts acquire a more dramatic and acute shade, which has led us to a war that began 5 years ago and affects the social, economic, and political situation of the country. The Salvadoran people have had to wage their struggle for peace, justice, democracy, and independence in an integral and heroic manner. This war has resulted in the deaths of more than 50,000 fellow countrymen and 20 percent of the people in the country have lost their homes and are displaced or have sought refuge within our country or abroad.

The advances and victories of our struggle are making the counterinsurgency strategy to impose imperial domination in El Salvador fail. This is precisely why the Reagan administration is strongly bent on continuing and deepening a war of extermination against our people, a war that calls for greater military, economic, and political intervention in the country to such an extent that all decisions affecting the people are made in Washington.

According to a report presented in February by three U.S. congressmen, the United States has given the Salvadoran Government $1.7 billion in direct bilateral aid in the past 5 years. This amount does not include the aid offered through the multilateral organizations. Expenditures during this same period have increased constantly, from $150 million in 1980 to more than $500 million in 1984.

Reagan has said that the economic support, in regard to military aid, has a three to one ratio. However, the statistics included in the previously mentioned report show that direct or indirect financing associated with the war is 75 percent of the total aid given by Washington. This means that the proportions are reversed, $2 for death and $1 to hold up the oligarchic economic structure.

The evident contrast in Reagan policy is not by accident. On the one hand they invest millions of dollars in aggressive actions against the Nicaraguan people and government and spend more than $1.5 million per day on Jose Napoleon Duarte's government in an attempt to win wars they have already lost, and dominate peoples who have experienced a definite insurrection. On the other hand, they take the bread out of the mouths of hundreds of millions of Latin Americans and force them to pay the capital and interest of loans with exorbitant rates that our peoples never enjoyed and that serve to enrich a few.

In both cases the contrast is barely noticeable. In truth there is a sole objective, to increase and maintain the imperial domination over our peoples, and increase submissiveness and servitude. It is the same old policy of the satraps, of the imperial Romans, of the European colonialists, and today, of the new imperialists. Tax and garrote, plunder and repression. And today, repression and garrote become more expensive for imperialism and it is charged on the rest of the Latin American peoples with usurious interest rates, renegotiations of the debt, and so forth.

It is for this reason that one of the conclusions of this meeting becomes more clear each day: The problem of the debt is not only, or mainly, a technical problem; it is a political problem, a problem of relations of domination and servitude. Therefore, from our country's viewpoint, it is a matter of national and hemispheric liberation.

The Salvadoran democrats and revolutionaries, therefore, agree that to struggle against the unjust debt and against U.S. imperialism with the rifle in one's hand are two currents in the same struggle. These are struggles that each country should carry out according to its own specific conditions.

We are here because we need the struggle of the Latin American peoples against the foreign debt and because our contribution to that great struggle of Latin America and the entire Third World will be to achieve the liberation of El Salvador. [applause]

In spite of all the gifts and multimillion dollar loans of the Reagan administration to El Salvador, for the Salvadoran Government the economic and social situation is worsening and is not improving. According to information given by the government, unemployment had reached over (?36) percent in 1984. This figure increases to (?60) percent if underemployment is taken into consideration. The per capita production figures are similar to those of 25 years ago, in 1960. The Duarte administration seeks to obtain at the end of this decade a situation similar to that of 1970, in spite of the millions of dollars that the Reagan administration supplies. This means that the paradise lost to be found in 1990 is none other than the social inferno we had 15 years ago, which led to the present conflict and war.

The foreign debt has increased by over 100 percent since 1980, and by 1984 it reached over $2 billion. Not much importance was being given to the foreign debt problem in El Salvador. However, at present, its evolution -- expressed in terms of the accelerated growth of the service on that debt -- has made it a particularly important problem, if one considers the following comparison: In 1983 the service on the debt amounted to 19.1 percent of export revenues. In 1984 the percentage rose to more than 30 percent, according to official data.

Obviously, in El Salvador we are acutely experiencing the overall problem of dependence and the denationalization of the country due to the imperialist intervention. Therefore, it is strategically necessary that we join efforts in favor of a new economic world order, in which the struggle to resolve the foreign debt problems of Latin America and the Caribbean under conditions that are favorable to our peoples, our independence, and sovereignty will be the catalyst of a broader and more vigorous action.

The foreign debt accumulated by most of the Latin American, Caribbean, and Third World countries in favor of the transnational private banks has reached a critical point that urgently demands a common action plan that acknowledges that the foreign debt accumulated by almost all the Latin American and Caribbean countries and many others in the Third World is unpayable.

In this context, we endorse the proposal by our companero and friend Michael Manley to involve the African and Asian countries in this problem. The initiative recently adopted by the African countries at the OAU meeting in Addis Ababa at which former President [name indistinct] spoke must also be highlighted.

Among the various proposals that must be considered are the cancellation or pardoning of the debt, its restructuring, extension of the term for paying the principal, the establishment of special concessions for ceilings on interest rates, and the establishment of a ceiling ratio between the debt service and revenues from exports.

Finally, we express our conviction that the governments of the Latin American debtor countries acting in a coordinated, joint, and simultaneous fashion must make proposals and efforts on behalf of an overall and adequate solution to the debt problem.

The outstanding lesson we have learned at this all important meeting is that the growing Latin American and Caribbean awareness has brought the most varied political, religious, and social expressions to a common prognosis of our problem. However, principally, we have reaffirmed our conviction that joint action is necessary to crystalize the historical destiny proclaimed by Simon Bolivar.

On behalf of the Salvadoran people we wish to thank Companero Fidel Castro, the Cuban revolutionary government, and all the Cuban people for your hospitality and fraternity. We congratulate you for calling and organizing this meeting that is the clearest political development in Latin America and that will have great repercussions in the future.

Also, on behalf of the Salvadoran people, we wish to thank all the Latin American and Caribbean peoples for their active solidarity with our difficult and dramatic struggle, which is also yours for the cause of independence and freedom and in the certainty that soon El Salvador will be a sovereign, democratic, and revolutionary country.

United toward victory, united to fight until the final victory!

Thank you very much.

Cienfuegos Address

PA030200 Havana International Service in Spanish 2333 GMT 2 Aug 85

[Speech by Commander Ferman Cienfuegos, member of the Salvadoran FMLN General Command, at the foreign debt conference in Havana -- live]

[Text] Dear comrade-in-arms Fidel, companeros of the presidency, guests:

Our first thought is one of solidarity with the heroic Nicaraguan people and their vanguard the FSLN, represented here by the dear brothers Sergio Ramirez, Jaime Wheelock, and Henry Ruiz. [applause]

Latin America is in a decisive moment in its struggle for national liberation. Its peoples are struggling against the fierce and terrorist policy of the Reagan administration, which is attempting to impose on us a political, economic, and military order that answers to its interest in continuing to be the imperial center. This struggle by the Latin American peoples has identical political and economic causes. The battle to free itself from financial subservience and to defeat the military aggression that imperialism has unleashed against us determines two principal forms of struggle that our peoples have develoeped: First: the struggle not to pay the foreign debt. Second: the struggle to defeat direct and indirect military intervention in Central America. [applause, slogans chanted]

Our commanders and fighters at the war fronts have followed with great interest the proposals by peoples through their most representative leaders in connection with the present situation in Latin America. We have all grasped clearly the deep independence-seeking, libertarian, and revolutionary content of the struggle to achieve three great objectives of the Latin American and Caribbean peoples: the nonpayment of the foreign debt, the struggle for a new economic world order, and the struggle for Latin American integration.

This goal will undoubtedly unify us with the other Third World peoples and it concretely and combatively revitalizes the struggle and ideals of the great forefathers of our Latin American identity -- Bolivar, Marti, Morazan, and other fighters for the freedom and unity of our peoples.

That is why the war we are waging in Central America in an unequal confrontation with the military superiority of imperialism is inseparable from that struggle; it is part of the struggle of the Latin American peoples. This uneven battle is being waged successfully. Therefore, it also evidences the unquestionable truth that when peoples unite to defeat their oppressors and exploiters there is no political, economic, or military force strong enough to contain them. [applause]

In 1980, the patriots, democrats, socialists, Christians, Marxists, and the various political movements of the Salvadoran people united to create the FMLN and the FDR, an unbreakable alliance that established the pace of the great leap that began with the campaign of 10 January 1981. Nothing would have been possible without that unification.

In the past 5 years we have defeated one by one all the strategies and plans that imperialism, through the Salvadoran puppet Army and Government, has implemented. [applause] At present we can responsibly and honorably state as rebels that our people have forged their own army in the course of the war -- an authentically popular, national, patriotic, and revolutionary army. [applause]

In 1981, we had a few hundred war weapons, approximately 500 rifles. From that time through 1985, we have seized over 5,000 war weapons from the enemy in combat. We have imprisoned over 4,000 soldiers, have inflicted over 18,000 casualties on the enemy's Army, and have destroyed at least 43 aircraft, not including the ones the enemy reports are destroyed for mechanical failure. Seventy-five percent of the national territory is a battleground. In the first 6 months of 1985 alone, we implemented a vast attrition campaign based on small unit operations and we have inflicted an average of 400 casualties per month. This means that if one takes into consideration that in 1981 the government's Army had 18,000 troops, then the FMLN has annihilated in the last 5 years the Army the government had at the beginning of the war.

Today we are fighting against 45,000 enemy troops who are supported, trained, and directed by the U.S. military. We are fighting against a truly puppet Army, against an Army that is defending the imperialists' plans to continue keeping our fatherland under their control.

In 1980, the broadest and most radical movement of masses in Latin America was struggling. The imperialists and the Duarte-led junta carried out a savage policy of terror which left a toll of 50,000 dead, 5,000 missing, 1 million refugees abroad, and 500,000 refugees inside the country. However, our people have given evidence of their heroism, boldness, and determination to win and have been able to overcome that slaughter, to retreat in an organized fashion, and they have strengthened the FMLN-FDR fighting ranks.

The causes of the war still prevail and have even exacerbated. New mass organizations have been formed. The people are fighting for immediate goals, for respect for human rights, for a dialogue, for a political, negotiated peace solution. Between 1984 and now, there have been 300 labor conflicts. In view of these demonstrations of struggle, the measures to which the imperialists and the Duarte government have given priority are various forms of repression. All the attempts of the U.S. experts to apply their anti-urban insurgency and psychological warfare methods have been useless and will continue to be useless.

The Salvadoran people have restructured their organizations in the midst of the war. Everyone together, the people in the various organizations, everyone is uniting in the struggle to achieve independence, to achieve freedom, sovereignty. El Salvador is now confronting imperialist oppression expressed in the tiring burden of an unpayable foreign debt. In our fatherland, imperialism has manipulated and made use of all of its political, diplomatic, and public relations experience in order to establish a government that appears to be legitimate, a government that is actually selling national sovereignty and is therefore an authentic puppet government.

At present, imperialism is spending approximately $1.5 million daily in supporting the war. What imperialism is really doing is financing the war which it has artificially imposed on our people. Our people have many needs, are experiencing privations and difficulties, and are making sacrifices. They have been able to successfully confront all the power of imperialism, and will continue to confront it as long as necessary.

The Salvadoran people have known how to build the FMLN-FDR and are in a position to continue to struggle as long as necessary. The Salvadoran people have known how to build their own instruments of struggle which have made them undefeatable. Our FMLN-FDR fronts are aware that time is on our side. We realize that Latin America and the Caribbean is a gunpowder keg that will explode sooner rather than later. We are also aware of the fact that, with true revolutionary responsibility, we must make use of all possibilities in order to reduce the social costs to our people. Therefore, we have promoted and have struggled to find a political solution to the war, a formula for a negotiated peace. That is why we favor a dialogue between the parties in conflict: the government and the FMLN-FDR alliance.

This possibility, which emerged on 15 October 1984 in La Palma, has been foiled by the warmongering arrogance of the Reagan administration and the political meekness of the Duarte government. This struggle to continue with the dialogue is still in force and we will not rest until we have been successful in turning it into a serious and truly negotiated solution.

Our FMLN-FDR are convinced that the struggle of the other Latin American and Caribbean peoples is our struggle, and that our political actions and our weapons are but a modest, yet firm and determined, unit of this gigantic Latin American and Caribbean battle. In summary, this battle is the struggle for not paying the foreign debt, for the defeat of the military intervention in Central America, for independence, for the establishment of the new international economic order, for internationalist (?aid), and for economic integration of Latin America.

We have been falsely accused of trying to reproduce a new Cuba in El Salvador. We are struggling to build in El Salvador a new El Salvador, and we are not afraid of that false accusation, inasmuch as we consider that the new Cuba is successful evidence of what the new Latin America and the Caribbean will be: our America. [applause]

We appreciate and trust in the growing Latin American solidarity. El Salvador will win! [applause]

3 August Proceedings

PA031823 [Editorial Report] Havana International Service in Spanish at 1320 GMT on 3 August begins live coverage of the 9th session of the conference on the Latin American and Caribbean foreign debt being held at Havana's Palace of Conventions. The morning session is being chaired by Leon Roldos Aguilera, former vice president of Ecuador, who announces Luiz Carlos Prestes of Brazil [leader of the Brazilian Communist Party] as the first speaker.

At 1321 GMT Prestes begins his speech in Portuguese with simultaneous Spanish translation. He states that he does not hold any office or leadership position and that he is just a revolutionary. He refers to the two main causes of Brazil's huge foreign debt, stating that the military generals who ruled the country during the past 21 years and big imperialist powers, especially the United States, are responsible for it. He says that the economic and social problems of Latin America and the Caribbean cannot be solved with a capitalist regime and that what is needed is a socialist revolution.

Alfonso Barrantes, mayor of Lima and president of the Peruvian United Left,begins speaking at 1342 GMT. He begins by stating that "in the face of yesterday's threats from the Reagan administration to sanction the new Peruvian Government," the Peruvians of the United Left present in Havana have expressed support for the Peruvian Government in every way to fight imperialism. He then reads the document they have signed rejecting the U.S. "threat of economic and other types of reprisals against Peru" and requesting "support for the Peruvian people and the Peruvian Government's sovereign decision on the foreign debt."

At 1357 GMT, Msgr Sergio Mendez Arceo, former bishop of Cuernavaca, Mexico is introduced. He thanks Fidel Castro for giving Christians the opportunity to meet at this conference and expresses support for the cancellation of the foreign debt of the countries by the countries that call themselves Christian. He also reads the letter sent by the Christians particiating in the meeting to the U.S. bishops congratulating them on their solidarity and position on the foreign debt.

Former Jamacian Deputy Prime Minister Perceival Patterson begins speaking at 1415 GMT. In his speech in English with simultaneous Spanish translation, Patterson stresses the increase of the developing countries' foreign debt since the last international foreign debt conference in Geneva in 1977 and notes that they cannot pay what they do not have. He says that individual renegotiation of the debt will not work and that what is needed is Latin American and Caribbean unity.

At 1427 GMT, Andres Pascal Allende, secretary general of the Chilean Movement of the Revolutionary Left, speaks on the Chilean foreign debt which, he says, could not have been accumulated without the Pinochet dictatorship and its alliance with the national and international monopolistic capital. He adds that in Chile the struggle for the nonpayment of the debt cannot be separated from the struggle for democracy.

Nils Castro, international relations secretary of the Panamanian Democratic Revolutionary Party, begins speaking at 1438 GMT. He notes that Omar Torrijos achieved victory in the struggle for the recovery of sovereignty by forming alliances and obtaining international solidarity and that the same thing must be done now. He expresses support for Peruvian Alan Garcia's proposal to hold a summit of Latin American presidents in Panama to discuss common problems and policies.

At 1451 GMT, Chilean Anselmo Sule, vice president of the Socialist International, begins speaking. He speaks of the illegality of the foreign debt, saying that even if the countries could pay the debt, they should not because most of it is the result of irregular actions inside and outside the countries. He calls for the unity of Latin America but notes that this cannot be achieved if the Latin American countries are not sovereign. He praises Fidel Castro for raising the banner of Latin American unity, integration and friendship.

At 1505 GMT the chairman of the session announces that there will be a 30 minute recess. At 1553 GMT, converage resumes. Enrique Garcia Vasquez, personal representative of Argentine President Alfonsin, chairs this second part of the morning session. He praises the attendance at the conference and the respect maintained at all sessions. He says that the conclusions of the meeting are the strengthening of unity, the acceleration of integration, and the need to find a political solution to the foreign debt problem. He reports that Jaime Hurtado, secretary general of Ecuador's Democratic People's Movement, has decided that in order to implement what was agreed last night after Fidel Castro's remarks, he will not speak and will present his speech in writing. Garcia Vasquez says that other party leaders and personalities will present their speeches in writing. He says that the representatives of those countries that have yet to speak will be speaking now.

Anibal Delgado Fiallos begins speaking at 1602 GMT on behalf of the Honduran Patriotic Front and all the Honduran participants. He refers to the U.S. "occupation" of Honduras, saying that the Hondurans condemn the Honduran Government's foreign policy supporting the interests of foreign monopolistic capital and threatening Central American peace.

At 1615 GMT, (Harvey Narember) of Suriname begins speaking in English with simultaneous Spanish translation. He refers to Suriname saying that its financial and monetary problems are illustrative of the region's problems. He analyzes the main causes of Suriname's financial problems and concludes that the international economic structure is at the root of the problems.

At 1631 GMT, John McCartney, president of the Vanguard Socialist Party of the Bahamas, begins his speech in English with simultaneous Spanish translation. He begins by praising Cuban solidarity with the peoples persecuted by imperialism. He calls for the suspension of the foreign debt.

At 1643 GMT, (Andre Lecant), president of the Association of Mayors of French Guiana, begins speaking in French with simultaneous Spanish translation. He says that his country has yet to achieve sovereignty over its territory and that it has a dependent economy.

At 1654 GMT, Assad Shoman, former minister of Belize, begins speaking. He says that if the debt is cancelled, ignorance in the countries would also be eliminated. He stresses that the Latin American and Caribbean foreign debt is simply robbery and that under any moral legal system it should not be collected.

At 1702, the session's chairman invites the participants to attend a posthumous tribute to Laura and Beatriz Allende at the Colon cemetery on Sunday.

At 1703 GMT, (Dorothy Leen) begins speaking in French with simultaneous Spanish translation on behalf of Martinique and Guadaloupe. She says that those two countries are still juridically, politically, economically, and culturally dependent on France, but that this is against their will.

At 1716 GMT, the session's chairman announces the next speaker and announces that at the end of this speech, there will be another recess until 1515 [1915 GMT].

At 1716 GMT, (Jean Milet), president of the Trinidad and Tobago World Peace Council, speaks in English with simultaneous Spanish translation on behalf of the representatives of Trinidad and Tobago. He stresses that most of the Third World debts were obtained as a result of manipulation and robbery.

The session chairman repeats the announcement about the session beginning at 1515. Live coverage ends at 1732 GMT.

Havana International Service in Spanish at 1938 GMT on 3 August resumes live coverage. Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, announces that he will chair the afternoon session because of the "unexpected" absence of the scheduled chairman, Carlos Julio Emanuel, personal representative of Ecuadoran President Leon Febres Cordero. Rodriguez then introduces the speaker for Curacao, (Eugenio Bothri). In a 7-minute speech, (Bothri) notes the importance of the timing of the meeting, which comes in the wake of the events in Grenada, "where the forces of the imperialist financial capital of the United States have bloodied the taste of freedom and sovereignty" that the region had begun to enjoy. He points to the worsening economic situation in his country, with an increase in unemployment to follow the withdrawal of the Shell refinery in October and the government's announced reduction of wages. In these circumstances, he says, "We can reach no solution other than to say, in a firm voice, united in a single front, that our countries' foreign debt is unpayable."

After announcing that the representatives of Paraguay decided to divide their 12 minutes into two speeches, the chairman introduces the first of the two speakers, peasant leader (Jose Gil Ojeda).

(Ojeda) reviews Paraguay's history of dictatorial oppression and concludes that the only solution is for Paraguay, in unity with the other Latin American countries, to refuse to pay the foreign debt. (Gil Ojeda) concludes his speech at 1957 GMT and is followed by (Arnoldo Baldovinos), a leader of the Febrerista Revolutionary Party of Paraguay, who describes his personal political experience under the Paraguayan dictatorship, criticizes the Reagan administration's policy toward the "heroic" Nicaraguan Government, whose leaders had the courage to destroy a longstanding dictatorship, and calls for the southern cone countries to struggle for economic liberation.

The chairman announces that the (Baldovinos) speech ends the portion of the session devoted to those countries that had not yet had access to the podium, and that the following speakers will present joint papers for various groups attending the conference, a measure that was decided by consensus, to save time.

The next speaker, (Felipe Ocierni), representative of the Popular Christian Party of Peru, begins speaking at 1958 GMT. He points out that while the trend at the conference has been to criticize imperialism, the speakers have failed to note that imperialism exists "not just in the Northern Hemisphere of our continent," but in all parts of the world. He adds that while there may be some justification for repudiating irresponsibly acquired debts, from the pragmatic viewpoint "it is difficult, practically impossible, to unilaterally or multilaterally adopt such a position." Instead, he suggests a 5-point plan calling for an agreement among Latin American countries to reduce military expenditures; initiation of a development program to end poverty and achieve economic austerity; flexibility on the part of financial institutions in readjusting demands to the capabilities of countries; fair prices for exports that go from the Latin American countries into industrialized countries; and limiting the servicing of the debt so "it will not exceed a percentage of total exports."

The chairman announces that Pedro Rincon Gutierrez, rector of the University of the Andes, who was to present a joint position paper on behalf of some 45 Venezuelans in attendance, has yielded his right to speak and will distribute the paper in writing to the participants. The paper is to be included in the records of the meeting and publicized in the press.

Other joint position papers are then presented, beginning at 2019 GMT with Pedro Luis Villagran), member of the Guatemalan Church in exile, who calls on Christians to unite to refuse to pay the empire. Other joint position papers rejecting payment of the debt are presented by Alvaro Leiva Duran, Colombian senator; Raul Ley, director of DIALOGO SOCIAL, for the Panamanian delegation; and Gregorio Iriarte of the Bolivian delegation.

At 2110 GMT, Mauricio Diaz Davila, secretary general of the Popular Social Christian Party of Nicaragua, begins speaking on behalf of the Nicaraguan delegation, "made up of five political parties, including representatives of the FSLN." He notes, however, that the document has been signed by "three political organizations." He notes the importance of the conference on the foreign debt. He says: "It is obvious that the most recent imposition in the field of economics and of economic and military aid by the U.S. Government against the Peruvian Government is the Reagan administration's brutal answer to this extraordinary meeting: the response of force, of opposition to dialogue, of opposition to civilization."

Diaz notes the "apparent" contradictions of the U.S. Administration, which calls for democracy in Nicaragua while supporting a war, and cuts off credit and establishes trade embargoes while providing millions of dollars to counterrevolutionaries. As for the foreign debt, the paper read by Diaz notes that it is a burden, but says only that the "Latin American peoples must demand of their respective governments a detailed explanation of how the loans that were obtained were used," for a better understanding of the debt.

The document is signed by Eduardo Molina Palacios, coordinator general of the Democratic Conservative Party of Nicaragua; (Gustavo Pallais Zelaya), of the Nicaraguan Socialist Party, PSN; Adolfo Evertsz Velez of the PSN; Constantino Pereira of the Independent Liberal Party; and Diaz Davila.

The following speakers then address the conference: (Domingo Namuncura) of Chile; speaking for human rights organizations, notes the links between the foreign debt and human rights; and Alejandro Quesada, representing Costa Rican professors, saying that the real debt to be paid is the imperialists' debt to the Third World. At 2141 GMT, retired Colombian General Jose J. Matallana reads a 3-minute declaration issued by the military attending the conference, which calls for support of national sovereignty in the matter of the foreign debt and rejects the "imperialist attitude of the U.S. Government in launching reprisals against the Peruvian Government and people for their sovereign decision in handling their foreign debt."

Mexican intellectual (Gaston Garcia Gantu) then reads a statement for the Mexican delegation, pledging to struggle to restore the principles of the Mexican revolution, after which a statement from the Argentine delegation is read expressing solidarity with Peru "in the face of the recent threats from Yankee imperialism."

(Norman Gilman) of Jamaica addresses the gathering at 2158 GMT in English with simultaneous Spanish translation, saying that payment of the foreign debt cannot be placed above providing things needed for human survival. The final speakers, (Manuel Sanhueca Cruz) of Chile; (Riqueldres) of Peru, Mireya Baltra, executive secretary of the Continental Front of Women Against Intervention, representing the women who are attending the conference; and Jaime Hurtado of Ecuador, all condemn the foreign debt as unpayable.

At 2254 GMT, the chairman thanks those attending for their participation and announces the end of this portion of the conference. He announces that Cuban President Fidel Castro will preside over the closing ceremony that will begin at 2200, 0200 GMT.

Castro, Colombian Delegate Talk

FL020320 Mexico City NOTIMEX in Spanish 2320 GMT 1 Aug 85

[Text] Havana, 1 Aug (NOTIMEX) -- After denouncing capitalism's systematic plundering of the Latin American nations, Cuban President Fidel Castro has stated that capitalism has failed roundly as an economic system.

In an exclusive interview with NOTIMEX, Castro described the capitalistic economic system as madness, illogical, and impossible to understand. In support of his statements, he said that capitalistic countries want Latin America to increase its exports, but there are no buyers because the same capitalistic countries have increased their import duties. The Cuban leader said: Simultaneously they tell you to decrease import duties and try to save, and pressure you to pay while keeping you from exporting.

During a recess in the Latin American conference to study the continent's foreign debt that is being held in Havana's Palace of Conventions, a Colombian delegate spoke to Castro of the possibility that Colombia and Cuba will renew relations. Castro responded that he is not a prophet's beard, but the beard is due to the lack of a razor. The Cuban leader then walked off laughing loudly but the Colombian delegate insisted on the question, whereupon Castro became serious and said: We will talk about that.

Castro, Chileans Discuss Debt

PA031635 Paris AFP in Spanish 1459 GMT 3 Aug 85

[Text] Havana, 3 Aug (AFP) -- President Fidel Castro held a closed door meeting last night with all the members of the Chilean delegation attending the meeting on the foreign debt of Latin America and the Caribbean, it was learned today.

It was learned that the topics discussed included the unity of the Chilean opposition to the government of President Augusto Pinochet and the differences of opinion between Castro and the Chileans regarding an eventual Latin American summit on the foreign debt.

In fact, the Cuban leader stated that nobody should be excluded from a summit of such a nature, while the Chilean opposition believes that the Chilean president should be isolated to accelerate his downfall. While the Chileans believe that the foreign debt crisis can contribute to the overthrow of Pinochet, the Cuban president expressed the belief that the social and political transformations cannot be consolidated in the region as long as the foreign debt crisis is not resolved.

The Havana meeting is being attended by Christian Democrat Radomiro Tomic, Anselmo Sule, a radical and vice president of the Socialist International for Latin America; Clodomiro Almeyda, secretary general of the Socialist Party abroad, Luis Corvalan, secretary general of the Communist Party; and Andres Pascal Allende, leader of the Movement of the Revolutionary Left, who addressed the participants in the event today.

CASTRO VIEWS DEBT, RELATIONS WITH BRAZIL

PY010224 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 85 p 5

[By special envoy Carlos Conde]

[Text] Havana -- Cuban President Fidel Castro has said that his country "wants and wishes" to reestablish diplomatic relations with Brazil, but it is also trying to act with discretion in order not to demonstrate any pressure over Sarney's government. He believes that Brazil may be "the key to the solution of the Latin American debt problem" by "just taking one step forward" and assuming "a fundamental role" in the international economic crisis.

Fidel Castro does not believe that the resumption of dialogue with Brasilia "is being negotiated." He believes in the well-known principle that "the politically open government" favors the reestablishment of relations since "it has already shown such an interest." However he admitted that "it would not seem friendly or correct to argue over that initiative right now." He has guaranteed that Cuba will not impose any kind of restrictions: "We leave it to the Brazilian Government to decide when the resumption of relations will take place."

Castro recognized that, at the moment, Brazil is facing "complex and concrete problems" which call for the "adoption of priority measures." If Cuba insisted on establishing bilateral negotiations now, it would affect Sarney's government which is still suffering the impact of the death of Tancredo Neves, and which is very busy adopting positions in the financial and economic field.

The resumption of relations would benefit both Brazil and Cuba, Castro said. He stated that Brazil has "technological industries and machinery," while Cuba along with more than 25 other countries can make contributions in the economic and social fields, mainly in the medical field. He believes that the scope of bilateral cooperation will be a broad one, "and not only in the bilateral field: we could act together in the Third World."

Castro reiterated that Brazil's attitude regarding the foreign debt will be decisive for the rest of the Latin American and Third World countries. However, he denied that he would be encouraging "anyone to adopt or not adopt a certain position." He regards Brazil as a "fairly self-sufficient country" that produces food and that "tries to increase its oil production." "It also has many very important Third World friends."

When making comparisons with the rest of the southern cone military regimes, Fidel Castro said that the Brazilian military acted in "a more moderated manner," with the purpose of giving the country a better economic structure and protecting national industry.

U.S. SHIPS REPORTED IN NICARAGUAN WATERS

PA012328 Havana International Service in Spanish 1715 GMT 1 Aug 85

[Text] Nicaraguan Defense Ministry sources have denounced the presence of the aircraft carrier Eisenhower and five other U.S. Navy units in Nicaraguan waters. The sources have charged that the small U.S. fleet in 365 km from Puerto Cabezas, on the Atlantic coast.

In a communique issued last night, the Nicaraguan Defense Ministry reported that at the end of July, Sandinist People's Army troops destroyed several counterrevolutionary hiding places in the area of La Penca and 300 counterrevolutionaries were forced to cross the San Juan River and flee to Costa Rican territory. On 22 July, the note adds, Sandinist Air Force planes sank a counterrevolutionary boat in the Sarapiqui area. Meanwhile, the group, called 52 Mexican Christian Organizations in Solidarity, has reiterated in Mexico City that it totally supports the fast Nicaraguan Foreign Minister Father Miguel D'Escoto has maintained for the past 27 days to protest the aggressive and terrorist U.S. policy against Nicaragua.

At an assembly of the group's members, it was decided to send a letter of solidarity to D'Escoto and to hold a demonstration in front of the U.S. Embassy in Mexico City on 9 August. Representatives from various Christian communities will participate in this demonstration.

WORKERS TO COMPLETE ELECTRIC PLANT BY DECEMBER

FL012248 Havana Domestic Service in Spanish 2053 GMT 1 Aug 85

[Text] Over 68 million pesos have been invested at a Habana del Este thermoelectric plant, the largest plant under construction in the country with the cooperation of the Soviet Union. The present building stage includes the main building, a 175-meter-high chimney, drainage canal, administrative quarters, and other projects which must be completed by the end of this year. The Habana del Este thermoelectric plant, valued at over 350 million pesos, will have 8 units capable of generating 1 million kilowatt-hours. The first one will be installed in December, 1985. At this project, located at Santa Cruz de Norte Municipality, the workers reported their progress during the first 6 months and are committed to fulfill the present 10-million-peso plan.